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The Business Week

WITH WHICH IS COMBINED THE MAGAZINE OF BUSINESS

A JOURNAL OF BUSINESS NEWS AND INTERPRETATION

FOR THE WEEK ENDING
OCTOBER 26, 1929

Business Outlook—Cloudy, Continued Cool

IT WAS more evident this week that general business sentiment is being unduly and unfortunately dominated by the ups and downs of the stock market. This is a deplorable case of the tail wagging the dog, which is against the laws of nature and common sense and is not good for the dog.

Business notwithstanding is holding itself somewhat steadier, gives a remarkably good statistical account of itself, if comparisons are temperately made with last year or the normal trend. Industrial and trade conditions are much more stable on the record than they are in conversation. The rumors, statements, opinions, that are rushing a worried market up and down from day to day tell us a lot about the market but are of absolutely no significance as regards the business situation.

There is reassuring evidence of a broadly-supported effort to make the market readjustment as orderly as possible and prevent a landslide of the magnitude that might easily occur under present conditions. This effort is likely to succeed fairly well, although it probably is putting a heavy burden on the banks as private funds are withdrawn. No doubt, too, the Reserve System is standing by in case the banking strain should prove too great. Already it has shown its determination to shield business from any harm in the process by lowering its buying rate for acceptances. But it is doubtful whether any reduction in the discount rate can be ventured under present conditions without inviting another spell of speculation.

It will take more time to ease the speculative balloon safely to solid ground and to get its excess cargo of credit-floated securities into the hands of those who can really pay for them. The sooner it is generally realized the joy ride is over, and security values are brought into some natural and rational relation to the basic business conditions on which they must depend, the better it will be for business generally. Business will benefit by a sound and well-balanced security market position, and the market itself will make more speedy and sure progress on earth than it will on air.

Senate Set to Tackle Tariff Rates

THE Senate last week added another bit to the President's prospective troubles over the tariff bill by passing, with a large majority, the so-called export debenture provision which the agricultural bloc has been threatening to seat as a rider on tariff legislation ever since the failure to put it into the farm relief law in face of Mr. Hoover's opposition.

The debenture plan is logically a part of tariff legislation, but it is essentially a scheme to help agriculture by paying a bounty out of public money on exports of farm products. The idea is to raise the price in this country for crops of which we produce a surplus for export, by paying exporters, and indirectly producers, of these crops a bonus on that part of the crop sold abroad. The bonus would amount generally to about half the difference between the world market price and the domestic price, where the tariff on such products becomes fully effective. The money to pay this bonus, which is in the form of a debenture or obligation of the Government, would come out of the money received by the Government from customs duties on imports. The present version of the plan includes some provision to discourage overproduction by decreasing the bonus on exports in proportion to the excess production over some arbitrary average.

The debenture plan is probably not wholly unworkable, and it is no more unsound in principle than is any tariff on imports which results in an indirect subsidy to domestic producers at the expense of consumers. The objections to it are that for the first time it will put the Government in the position of directly and frankly subsidizing certain special classes of business, and will seriously disturb the fiscal arrangements of the Government. Customs revenues amounting now to $600,000,000 might be reduced as much as $200,000,000, and this deficit would have to be made up by higher taxes.

It is generally agreed that the plan will not finally pass Congress or the President, if any tariff bill at all is passed. It was inserted in the tariff bill, like the provision depriving the President of power to change tariff rates, primarily as material for trading in Conference Committee discussion of the bill.

With this episode the Senate, after seven weeks, practically concluded its work on the administrative provisions of the Tariff Bill, and commenced discussion of rates by throwing the whole question open and refusing to limit revision to agricultural schedules. These provisions have been usually handled in a few days at the end of the revision proceedings. This time the Senate has been aware that the administrative provisions are probably the most important part of the tariff. Whatever rates may finally be adopted, their real effect upon business will depend largely upon the general equations and tariff machinery provided for in the administrative sections of the law.

Here is a brief summary of the more important administrative features which the Senate has introduced into the bill, aside from the debenture plan just mentioned:

Convict Labor: Applying the embargo against importation of goods made by convict labor to goods made by any kind of forced labor under penalty.

Milling in Bond: A requirement that imported wheat milled in bond for export—when exported as flour—be subject to duties equaling any tariff reductions allowed it by the country to which exported. This would offset benefits accruing to American millers of Canadian wheat from the 30% reduction of duty allowed by Cuba on flour from the United States. The Senate refused to change the milling in bond privilege in other respects. It, however, adopted an amendment limiting to ten months, instead of three years, the time imported wheat may remain duty free in warehouses for milling in bond or re-exporting otherwise.

Tariff Commission: Empowering the President to reconstitute the Tariff Commission within 90 days after passage of Act; in case he failed to name new or designate old member the present member's term would expire at the end of 90 days.

Flexibility: Taking from President his present power to make, by proclamation, changes in tariff rates and directing Tariff Commission to send recommendations of change to Congress. Basis of determining change would be cost of production differences, but with wider range than at present as to evidence. Transportation cost factor is defined.

Consumers' Counsel: Creating position of consumers' counsel to "represent the consuming public" before and in Tariff Commission transactions.

Valuation Bases: Directing the Tariff Commission to translate and report to Congress Act's rates in terms of valuation on basis of "United States prices," and directing the Treasury to make an investigation and report on undervaluation and the Tariff Commission to investigate and report on the entire valuation problem.

Customs Litigation: Giving to labor organizations right now possessed by manufacturers, wholesalers and producers as to filing complaints and taking part in litigation over classification and appraisement of merchandise. The Senate refused to add to those rights the privilege of appealing to higher courts as parties at interest.

Trade Marks and Patent Notices: Excluding merchandise bearing American-owned trade-marks or notice of United States patent rights.

Air Transit: Extending the tariff act to operations via the air.

Unfair Trade Practices: Modifying President's power to exclude merchandise on account of unfair trade practices. This allows wider range of appeal to the courts.

Marking: Giving Secretary of the Treasury power to exclude from requirement goods incapable of being marked and allowing marking to appear on container only when that is sufficient to reasonably indicate country of origin.

Stock Market Drop Is Splashing Many

THE widespread effects of the present decline of the stock market perhaps are not generally realized. The situation of the speculators themselves is obviously dreary. But the backwash already is lapping at the shores of business on a far wider shore.

A few weeks ago Mr. Mellon and his colleagues let it be known they considered tax reduction possible. Experts were said to be studying to see what could be recommended to Congress.

A $185,000,000 surplus was reported for the fiscal year ended June 30. This surplus was largely due to huge profits of individuals in the stock market.

Income tax payments are the primary source of the Federal government's revenue. Payments by corporations for last year equaled only the amount paid in the preceding year because of a reduction in rate applicable at that time. Customs duties held about even as did miscellaneous internal revenue.

Now the source of the surplus is drying up. Already from $3,000,000,000 to $5,000,000,000 has been wiped off paper values. Huge incomes have been changed to no incomes or even to losses.

Also the business of corporations is decreasing in many, many cases. Nor are the larger corporations able to offset a declining business by profits from security holdings. Customs collections will be slightly larger due to a 10% increase in imports this year. Miscellaneous internal revenue may be a little larger due to greater cigarette consumption. But these are not likely to offset the decrease.

A new factor makes its appearance this week. The government is spending less money. In the first quarter of the fiscal year expenditures were $110,195,000,000 less than for the same quarter last year. However, this may or may not continue to be the case as the Farm Board and other agencies will be calling for funds increasingly.

Some tax reduction may be possible if the market decline does not go too far, and if the government can continue to curtail its expenses. It seems probable that events during the next six weeks will decide for Mr. Mellon what he may recommend to Congress in December.

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Progress of Public Finance in Europe

STRIKING progress by European governments toward financial stability is shown in a recent study by the Department of Commerce. Balanced budgets are reported in more than 20 of 26 countries. The worst unbalanced conditions are shown by Russia, Rumania, Austria, and Greece. The three chief means of bringing about the more favorable conditions have been stabilization of currency, consolidation of debts, and balancing of budgets.

Processes used are of interest only to the financial technician. The results are apparent and important to business particularly in two ways.

Stabilization of currencies leads to stable exchanges between nations, without which there can be little trade. The Federal Reserve Board's monthly compilation for exchange rates prevailing shows all European units except three at near par and fairly stable. The three not near their par are fairly well "pegged."

Balancing of governmental budgets means establishment of the credit of the nation. Normally the one of these steps is a corollary of the other. Just as no business continuously running a deficit is sound, so no government doing the same thing is entirely trusted. Business is greatly unsettled by the elements of danger such as inflation and higher taxation.

Now, ten years after the war, public finance in Europe seems rapidly approaching soundness. Probably the situation is now much better than it was before the war. Reliable information then simply was not available in most cases. Now it is. The greatest difference between then and now is the existence of the huge war debts. But business can progress with stable conditions, even though the burden be large.

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Where Is the Farm Board Headed For?

THE Farm Board, as forecast in earlier issues of THE BUSINESS WEEK, is moving rapidly onto dangerous and difficult ground in trying to carry out, probably under political pressure, the program of farm relief in the Agricultural Marketing Act. The questions raised by its policies are of great importance not only to agriculture but to all of the vast business interests involved in the distribution of farm products. One striking instance, in connection with the marketing of milk, is described on another page. Of far wider significance is the impending conflict in the field of grain marketing precipitated by the Farm Board's effort to establish a national marketing corporation.

The work of setting up a Farmers National Grain Marketing Corporation has been going on for two months. The public has had occasional glimpses of the difficulties involved through the opposition of established private grain marketing interests, of co-operatives who have feared losing their identity and co-operative officials who have feared losing their jobs. Now at a final organization conference in Chicago on October 25 there is prospect of a bitter fight for control of the corporation. Five out of sixteen members on the organizing com-

mittee represent advocates of wheat pools, five represent other selling agencies such as the Farmers' Union Terminal associations of St. Paul, Omaha and Kansas City, and six represent farmers' elevators associations.

The pools and other selling agencies of the co-operatives are expected to unite to obtain control of the National Marketing Association. A rival organization called the Co-operative Farmers' Northwest Grain Corporation has just been set up by the State Farmers' Elevators associations of Minnesota, North Dakota, South Dakota and Montana.

A. J. Olson, president of the Minnesota Farm Bureau Federation, publicly charges the new corporation with being a creature of the grain commission firms. He asserts that it was formed either to gain control of or to wreck the National Grain Marketing Corporation sponsored by the Farm Board. This is denied by the directors of the Co-operative Farmers' Northwest Grain Corporation, but it is admittedly opposed to the organization plan proposed by the Farm Board.

"The co-operative farmers are not whole-heartedly behind this new corporation," asserts President Olson. "It was formed at a meeting of the farmer elevators' managers. These managers in many cases are not and have not been farmers and are not all farmer-minded.

"The farmers' elevator associations of Minnesota, North Dakota, South Dakota and Montana have never been organized for the purpose of co-operative marketing of grain. In most cases the farmers' elevators operate through grain commission firms, consign their grain to commission firms and are financed by them.

"The farmers' elevator plan does not offer much, as it does not alter the farm marketing program. The aim of co-operative marketing is to reflect back to the farmer the full benefit of orderly marketing and grading and to obtain a price commensurate with the quality of his grain. The farmers' elevator groups have not taken any action to prevent the dumping of grain on the market in the fall. As a matter of fact they have contributed to the flooding of grain on the market by rushing the crop to the terminals. These associations have no terminal storage facilities."

Commercial West, a Minneapolis financial publication in close touch with Twin Cities grain interests, says of the new corporation that it will, when in full operation, "be in a position to dominate the Northwest grain market." Continuing it says:

"While there is in the field the National Grain Corporation organized for the purpose of handling co-operative grain marketing throughout the nation, proponents of the Northwest regional co-operative deemed it necessary to have the separate organization here, inasmuch as this is the most important of the chief grain growing areas of the country. Necessary terminal elevator space will be obtained which, it is hoped, will help avoid congestion at the peak of the shipping season."

The fundamental conflict involved here, as in the case of that over the milk distributors, was definitely anticipated when the Farm Relief Bill was passed. Those who pushed this legislation undoubtedly did so with the definite object of using governmental power and authority to help farmers' co-operatives to gain control of private marketing facilities or to eliminate them from the field. This purpose was fairly explicitly reaffirmed by the Farm Board last week in a resolution which it adopted limiting its facility loans to co-operative associations belonging to the national or regional sales organizations, or to cases where such loans would serve to encourage the establishment of such central sales agencies.

The government is thus to be engaged in supporting with public funds marketing and distribution agencies in direct competition with existing facilities. Because of the vast interests involved this may mean a gigantic and wasteful war in the agricultural marketing field. The private established interests are not going to be easily dislodged or absorbed, and whatever their defects may be, the superior efficiency of co-operatives in this field still remains to be demonstrated.

One Voice To Speak For All Farmers

ONE all-encompassing organization to represent farm co-operatives in their dealings with Congress and the Federal Farm Board is projected in the National Co-operative Council. Permanent organization of this super-agrarian steering committee will be effected in December at a meeting in Chicago of all the principal federations of farm co-operative marketing and buying societies. The Council will be made up of representatives of these federations and will act for them in all matters of policy, legislative and otherwise, in which there is unanimity of opinion.

This new line-up of organized farmers parallels, in some respects, the American Federation of Labor and the Chamber of Commerce of the United States. It has emerged from the American Institute of Co-operation, organized in 1924 to educate the farm groups in national and regional marketing problems. Through the formation of the Council, the newer political and propaganda activities will be divorced from the educational functions of the co-operative movement.

The Institute will continue to meet every summer on a university campus, thus preserving its academic sanctity intact. The Council will be housed in the Temple of Agriculture in Washington. This dingy red brick house on Eye Street is a memorial to the awakening of political consciousness in agriculture. Two decades ago the Farmers' Union sought to accomplish what the National Co-operative Council is striving to do today. All farm organizations were to be brought into a National Board of Farm Organizations, with headquarters in a magnificent edifice in the capital. The attempt to unify the farmers was futile; funds raised for the temple to Ceres were sufficient only to make a down-payment on a substantial old private dwelling that otherwise, in all probability, would have degenerated into a boarding house. The National Board of Farm Organizations now exists only as the title-holder to the property.

So far, there has been no intimation that the Council will spend its substance on real estate. Its officers and board of directors will be composed of federation leaders who, by reason of long residence in or frequent sojourns to the capital, are thoroughly acquainted with their task. Now they stand united, confident that their labor will bear more fruit than in the past. Differences among the underlying organizations will be resolved before proposals are presented either to Congress or to the executive agencies of the government.

When they speak, Congress, the administration, the Farm Board will hear one voice—the Council. If they heed the Council, they have only to pass the buck back to the Council if things go wrong. It is the farmers' program. It is the farmers' responsibility.

IT'S A GOOD SHOT—WHY COMPLAIN?

Distribution ► Commercial Bribery Illegal, Court Holds

COMMERCIAL bribery, dragged to the judicial fire by the Federal Trade Commission, has, for the first time on record, been branded "illegal" by a Federal Court.

The United States Circuit Court of Appeals for the Sixth District, Cincinnati, has entered a consent decree affirming an order of the commission against the Grand Rapids Varnish Company, Grand Rapids, Mich., prohibiting the practice commonly known as commercial bribery and demanding a compliance therewith.

The Federal Trade Commission has repeatedly warned against commercial bribery as "unfair competition"; in accepting trade practice conference resolutions against commercial bribery, has repeatedly asserted its determination to help industry stamp out the practice. Now it has the power to enforce its determination.

The court orders that the Grand Rapids Varnish Company "do forthwith cease and desist from directly or indirectly secretly giving, or offering to give, employees of its customers or prospective customers, without the knowledge or consent of their employers, as an inducement to cause their employers to purchase or contract to purchase from the respondent, varnish and kindred products, or to influence such employers to refrain from dealing, or contracting to deal, with competitors of respondent, without other consideration therefor, money or anything of value."

Business further believes that court backing on this point strengthens the Federal Trade Commission's contention that other trade practice prohibitions in the "accepted" groups are enforceable; that what conferences outlaw with the explicit approval of the commission will, upon challenge, be outlawed by the courts. The Federal Trade Commission has proceeded cautiously in accepting conference resolutions. The Grand Rapids decree seems to confirm its judgment on how far and how fast it can go in permitting business to enact its own law merchant by the conference method.

If business and the commission have stood apart on some issues, they stood together on this one. Commercial bribery in various forms has upset the orderly marketing of products in many industries. As old as commerce, though utterly without economic justification, it has involved the would-be innocent who "must" with the willingly guilty who "did." Even those who killed it by agreement will rest easier now that it has been officially buried by the courts.

The decision is also of significance because it has reference to the paint industry which has had serious trouble in securing acceptances of the new rules by certain elements in the trade. The attitude of the paint, varnish, and lacquer industry toward this bribery practice is indicated by resolutions adopted at a trade practice conference held in Atlantic City in August, 1928. The resolutions condemned commercial bribery and provided for throwing open all records of companies involved in bribery investigations without resort to legal process. The commission was urged to proceed without delay with all pending investigations and proceedings.

The Grand Rapids Varnish Company denied the jurisdiction of the court on the ground that the subject matter of the commission's order does not constitute an unfair method of competition. At the same time the American Paint and Varnish Manufacturers' Association and the National Association of Purchasing Agents filed a brief supporting the jurisdiction of the court and the commission.

The Varnish Company last October filed a motion to dismiss the commission's application for enforcement, mainly on the ground of lack of jurisdiction. The court denied the company's motion June 4, 1929.

Legal recognition of another class of trade practice rules accepted by the commission also gives added strength to the majority members of the petroleum industry, just now endeavoring to get an unruly minority element in line behind its new trade practice code.

International Photo

A VISITOR LEAVES

Harry Selfridge, chairman of Selfridge Company, Ltd., one of England's largest department stores, sails for home

Distribution ► Holdover Census of Tennis Shoes

A NEW contribution by the Department of Commerce to the stability of industry is a survey of season-end stocks. The immediate purpose of this survey is to enable the manufacturers to adjust their production schedules to conform with the volume of stocks remaining in dealers' hands. With the cooperation of the principal manufacturers, the Department just made a survey of dealer stocks of tennis shoes. Last spring it checked up rubbers, galoshes. The tire and radio industries have been assisted for several years by periodic surveys of dealers' stocks. The nationwide inventories are published by the Department of Commerce for the benefit of all concerned. Over-production intensifies the distress of under-consumption and a regular check-up on its market is particularly valuable to an industry producing merchandise that is subject to violent fluctuations in consumer demand from one season to another.

Distribution ► **A New Index For Business?**

BUSINESS men, economists, believe they see a new index to current conditions in the monthly compilation of automobile financing just launched by the Department of Commerce. The value of this service may well reach beyond automobile finance companies to all who are interested in a guide to public buying power and buying will.

The first well-scanned report, compiled from returns from 338 auto-financing organizations, showed that sales of 1,634,392 cars were financed during the first six months of 1929 to the tune of $760,611,319—900,000 were new cars, 700,000 used.

Distribution ► **Service Line Is Life-line**

DEALERS' tire stocks, smaller on October 1 than on April 1, according to Department of Commerce reports, are still slightly larger than a year ago. Average-per-dealer is still rising, partly because number of sizes to be stocked still rises, mostly because number of dealers stocking them still falls.

Dealer-mortality rates have leaped as tire prices have sagged. Two years ago 1,000 tires averaging $15 apiece netted a profit of $5,250 on a 35% mark-up; today, with a $10 average and a 25% mark-up, only $2,500. Survivors of this process are those who today do a larger business or have added a tire service department. If lower prices—and profits—on tires net more patrons for profitable service jobs, the dealer prospers. Final Department of Commerce figures are expected to show heavy extension of store and road service. They will be closely scanned before the merger-launching meeting of tire dealers next month.

Distribution ► **Investigate the Packers?**

HEARING has been postponed until November 6 on the petition of the packers for modification of the consent decree pending in the Supreme Court of the District of Columbia. The proposal of the four meat packing companies that they should be permitted to engage in the retail distribution of meat and in the manufacture and distribution of a large variety of food products is supported by farm organizations and opposed by the American Wholesale Grocers Association. That association has intervened in the proceeding for the purpose of protecting the decree against modification or abrogation. J. H. McLaurin, president, urges Senator Copeland, of New York, to support the Nye resolution now pending in the Senate, for investigation by the Federal Trade Commission of the present status of the decree, the petition of the packers, the public policies involved, and the propaganda for modification some packers would have to give up valuable parts of their business if the consent decree were rigidly enforced.

International Photo

BANKING BABY GROWS UP

A. P. Giannini, founder of Bank of Italy, cuts birthday cake at celebration of its twenty-fifth anniversary. The bank is fifth in size in U. S., a link in Transamerica Corporation's two billion dollar chain

Transportation ► **Cowie looks at Express Future**

R. M. COWIE, president of Railway Express Agency, is optimistic as to the future of container car service for less-than-carload package freight. Controversy between railways and freight forwarders is merely temporary; the container promises too much to let petty differences stand in its way, he asserts, but is unwilling to predict that the Railway Express Agency will eventually take over the container.

As to express service on the air routes, Mr. Cowie said: "For the past two years, we have had contracts with a leading Air Express agency, carrying goods between New York, Los Angeles, San Francisco, Kansas City and other cities. This is only the beginning of a service that increases day by day. Its importance is just now being realized.

"Things are happening so thick and fast in the field of transportation that no one can predict with certainty what will occur. Both container car service and air-express are embryonic. There is no question in my mind that these types will in the future be extensively coordinated with the railway express business, each aiding in the more efficient transportation of goods."

Distribution ► **Harvard Endorses Store Diagnosis**

JOHN HARVARD, consulting physician to business, has added his signature to the bulletin on the condition of the department store posted by THE BUSINESS WEEK in its October 5 issue. The Harvard Bureau of Business Research agrees, says Prof. Malcolm P. McNair, that a rapidly rising expense ratio complicated by an insufficient increase in profit margin is the most significant symptom of trouble.

Harvard's diagnosis finds: Bigger stores have done somewhat better than smaller ones; independents report lower overhead than chains, indicating cost of coordinating stores has been greater than savings effected; departmentized specialty stores alone show greater profits, more economical management.

Harvard's conclusions: Too much imitative merchandising; too little creative merchandising.

P. & A. Photo

LOBBYIST SENATOR HIRED

Charles Eyanson, of Connecticut Manufacturers' Association, will tell Senate Committee why Senator Bingham put him on government payroll to help shape tariff bill

Marketing ► **Radical Retail Cost Accounting**

METHODS of cost analysis of retail store operations have been evolved by the Department of Commerce which are likely to change many of the most cherished theories and practices of retailing. Operation costs have been grouped in these three major classifications.

1. Maintenance—rent, light, heat, refrigeration, interest on inventory investment, depreciation on equipment, cleaning, repairs, decoration. In short, cost of having and maintaining goods for sale.

2. Movement—cost of waiting on customers, receiving goods, refilling and dressing shelves, delivery, telephone solicitation. The cost of selling those goods.

3. Credit (on a strict theoretic basis this group should be called "reimbursement costs" and should include expenses of receiving cash, such as the salary of the cashier)—interest on outstanding accounts, bad debts, collection expenses, clerical work, keeping accounts.

The original cost of merchandise of course is not included in operation costs, which are distributed as overhead. Maintenance costs are distributed on the basis of average inventory investment; Movement costs on the number of sales; Credit on the dollar volume of these sales.

The result of charging the various operation costs against individual items in this way has resulted in startling discoveries. Sugar, always hitherto handled by all grocers as a loss item, was discovered to be netting the grocers a handsome profit. Its handling, storing, and selling expenses are low. Canned goods, always thought of as special profit makers, were not returning good profits. They take a lot of warehouse room; they spoil; they have to be handled carefully. Other items yield very different results than expected. Pricing and buying both are revolutionized by these new discoveries that have been made in the science of business.

Distribution ► **83% Hew to Simplified Lines**

OF ALL the manufacturers for whose industries the Bureau of Standards has worked out simplification programs, 83% are still simplifying. This is the average found by 79 re-surveys of industries accepting simplified practice recommendations since the government service was started in 1922.

Latest groups to develop simplified lines in conference with the Bureau's Simplified Practice Division are makers of builders' template hardware and makers of hack saws. Manufacturers of folding and portable wooden chairs have re-affirmed their program without change for another year.

Industry broadly continues to approve this plan of reducing costly variations in products by agreements reached under Government auspices, without fear of Government attack on the score of being in restraint of trade.

Distribution ► **Will Electrify Marketing**

MANUFACTURERS of electric ranges, water heaters, refrigerators, fans and small heating appliances plan joint action to develop their market. They have declared in plain terms that they are badly out of step. They say, for instance, that:

Industry and business are shifting from specialization in merchandise toward specialization in service—toward the service of a market rather than promotion of a product. But the electrical man is still absorbed in his pioneering operation, content to take on new territories as they open, sell one appliance at a time, practically playing a lone hand.

Seasoned industries find their chief market through obsolescence. The electrical appliance industry will become normal when its products are universally accepted, and the world is busy wearing them out.

So they now plan joint action to hasten the day when every house will be completely equipped with electrical appliances as a matter of course—when appliances will have become standard equipment, financed in the mortgage. This will mean mass production, lower prices, every manufacturer striving for volume. At the present rate of progress this universal market lies far ahead of the industry.

P. & A. Photo

SENATOR HIRED LOBBYIST

Senator Hiram Bingham, of Connecticut, explains to Senate Lobby Investigating Committee why he employed manufacturers' representative to help with tariff bill

Finance ► **Investment Bankers Still Hopeful**

THE Investment Bankers ended their annual meeting at Quebec last week, filled with hope for "some time in the future," after a mutual sympathy meeting. High money rates and the common stocks boom have made a continuous nightmare for dealers in long term investments. Even as they mourned, the declining stock market sent investors scampering to the bond boards. No one of sufficient optimism has been found thus far, however, to say that the present trend has any degree of permanency.

Sharp warning as to speculation in utilities securities was sounded. The convention went on record against federal or state regulation of the various forms of investment trusts. This is understandable; most of them have been sponsored by investment bankers.

Production ► **Wrought Iron Comes Back To the Old Neighborhood**

VOYAGERS down the Ohio River, celebrating last week the completion of its nine-foot stage, saw on its banks the corrugated sides of the brand new $10,000,000 mill that James H. Hillman, Jr. of Pittsburgh is building for the large-scale production of wrought iron.

The September 28 issue of THE BUSINESS WEEK told of the return of the merchant production of pig iron to the Pittsburgh district. The energetic and innovating Hillman is bringing back wrought iron, forced out by steel a generation ago.

Near Ambridge, Pa., the Hillman group will complete in January the mill of the A. M. Byers Co. for manufacture of iron by the Aston process. James Aston, a Carnegie Institute of Technology metallurgist, invented a method of making practically pure iron without puddling. He took it to Hillman, and, around the Aston process, Hillman and a group of investors have been building up industrial plants of related but not consolidated trades. Aston got a million for his work.

Five years ago, Hillman acquired control of the A. M. Byers Co., from the two sons of the man who had started making iron pipe in Pittsburgh during the Civil War.

The company's main plant was still at Pittsburgh, and it had a plant at Girard, O. Next he got the Oil Well Supply Co. (founded in the Titusville oil boom), and began to distribute Byers pipe through its 90 stores. Byers stock started its spectacular move upward from the forties.

Still another old Pittsburgh house, Spang, Chalfant & Co., swung into the Hillman orbit just 99 years after it was founded. With its production of welded pipe was merged the seamless tubing business of Standard Seamless, and both were distributed through Oil Well Supply, which formerly carried National tubing. Standard Seamless brought with it a plant at Ambridge, adjoining the site of the new Byers works; this was practically doubled in size two years ago.

Hillman and his Pennsylvania Industries, Inc., acquired last winter a dominant position in Sharon Steel Hoop. A few weeks ago that company began the experimental manufacture of wrought iron sheets from sheet bar of the Byers plant at Warren, O., which has been using the Aston process for two or three years.

Sharon Steel Hoop, with its four works in the Shenango and Mahoning valleys, added to the Byers plants at Warren and Girard, O., made Hillman a real power in the steel district around Youngstown. The Warren plant is under lease and will be closed the end of the year; plans for the Girard plant after Ambridge goes into production are indefinite.

P. & A. Photo

KING RECEIVES PREMIER

The Premier, Ramsay MacDonald; the King, Mackenzie King, Prime Minister of the Dominion. They met in Ottawa

Distribution ► **Only 7.5% Drug Stores in Chains**

ONLY about 7½% of the country's drug stores are in chains, according to a report just issued by Childs, Jeffries & Co., Inc. It estimates 55,000 drug stores in all without defining "drug store." Drug, Inc., 506 stores, Walgreen Co., 230, Owl Drug Co., 110, are the three biggest chains. Total annual sales "in the drug field" are estimated at $1,700,000,000; chains do under $350,000,000. Supposedly these figures include all the department-store and general-store items carried by drug stores, not items included as drugs in department and general store stock.

Co-operative groups like the Rexall Stores and the McKesson Service Stores are not counted as chains. The growth of such co-operative groups is peculiar to the drug field and their existence greatly modifies the possibilities of drug chains. There are about 10,000 Rexall Stores and about 18,000 McKesson Service Stores.

Utilities ► **State Regulation Balks at Hurdles**

UTILITIES investigation by the Public Service Commission of New York, and scrutiny of Boston Edison rates by the Massachusetts Department of Public Utilities again focus attention on the problem of regulating utilities.

Hearings at Albany have brought out factors in utility regulation common to all states—except Delaware, which has no Public Service Commission. In most cases, these state commissions are so short of staff and funds that they can scarcely do justice to their task. Political appointees for the most part, commissioners come and go with the spoils of office, hardly get acquainted with the job before the political tide sweeps them out.

Amendments to state regulatory laws have repeatedly been suggested, were recently called for by Chairman Prendergast of the New York Public Service Commission. State commissions have no power to regulate short-term issues; their power is limited to capital stock and long-term financing. They have no adequate basis for determining what rates yield a so-called "fair return" on capital prudently invested.

The three thorniest problems are regulation of holding companies, interstate movement of electric power, and proper control of motor-bus operation. Each is enough to keep any commissioner awake o' nights.

To sew up loopholes in utility regulation, it has been proposed to require of public utility companies lists of actual owners of voting stock; to stop listing as operating expenses money expended for advertising or for litigation to increase rates; finally, to permit conference between state commissions on utility questions.

Aviation ► **And Now It's Plane Trade-ins**

TRADING-IN of used planes is already plaguing the aviation industry. Distributors in Southern California report it is now necessary to take in a used plane in fully one-half the new plane transactions.

Stocks of airplanes are rapidly mounting. The problems of used plane appraisal, trade-in allowance, reconditioning, re-inspection by Federal authorities and final resale are becoming serious.

Industry leaders are urging, as partial solution, more uniform shop practices, factory branches at strategic points, strong distributor organizations.

The situation plays into the hands of the merger groups, for it forecasts a day when the small and lonely factory without powerful alliances will be unable to compete with the larger organizations which can render more complete service.

Business ► **For Brighter and Better Offices**

MORE than 100 exhibitors at the twenty-sixth annual National Business Show in New York surprised the casual visitor, educated even the sophisticated, with the year's developments in the machinery of business.

Daily life in the business world continues to mechanize, and not unpleasantly so. An "automatic treasurer" has been perfected that goes through the entire operation of making out and signing checks, keeping carbon records of them. Messages or letters typed on one telephone-typewriter are instantly reproduced on the other 100 miles away at a branch plant, perhaps.

A patent agreement between the Underwood Elliot Fisher Company and Remington Rand is behind Underwood's new noiseless typewriter.

The littered desk is passé. All manner of devices are included in the drawers of the new desks to keep records in convenient seclusion. Even the telephone and the waste paper container disappear.

Business, more conservative than the home, is just now appreciating the full value of color. Desks, lamps, typewriters, drinking fountains—even reproducing inks—have gone gay. In fact, color, and speed through improved mechanization, and perhaps luxury, are key notes of the show.

Chicagoans will view the exhibits during the week of November 11. San Francisco's show comes in April.

P. & A. Photo

YE OLDE IRON HORSE

Type of locomotive that rattled over the Grand Trunk tracks when Thomas A. Edison was a youthful telegrapher at Smith's Creek, Michigan. Reconstructed by Henry Ford, it was a feature of the Edison celebration this week

Wide World Photo

ANCIENT SPEED DEMONS

Five old-time champions celebrate fifty-third anniversary of American bicycle with reunion at Gwynedd, Pa. Left to right—Arthur A. Zimmerman, world champion in 1890; Charles M. (Mile-a-Minute) Murphy, who rode a bike a mile in fifty-seven seconds; George Gideon, first national champion, 1881; Irve Wilhelm, Pennsylvania state champion, and Henry Crouther, president of the League of American Wheelmen

Agriculture ► Farm Board Joins Farmer-Business Battle

THE National Dairy Products Company has run into something unexpected in Cleveland. It tried to dictate to producers as powerful distributors have done successfully in other places. The producers in this instance refused to give in. They strengthened their co-operative, set up a $900,000 distributing plant, began to do their own retailing.

National Dairy Products undertook to discipline the farmers. Lining up supply sources among independent dairies in Wisconsin and Pennsylvania, two weeks ago, it cut the milk two cents and started a price war.

Such tactics have elsewhere brought farmers to terms, for bankers have feared price wars and have withdrawn credit. In Cleveland, too, the banks, with one exception, declined to support the co-operative. But the Ohio farmers found a new ally. Their co-operative petitioned the Federal Farm Board for a loan and got $400,000; asked for $200,000 more. Thereupon, it cut its retail price, too, and a battle royal is on for the Cleveland market—one side backed by government funds, the other by powerful private financial support.

The Farm Board has explained that, so long as the co-operative established a primary case of needed help and proffered reasonably good security, its duty under the law was to grant aid in the form of a loan. How far the board proposes to go in seeing the co-operative through in the contest with the National Dairy Products Company is not indicated. Nor is it disclosed what the board will do about several innocently bystanding independent distributors who may be crushed. Some of these are endeavoring to tie in with the farmers—at least closely enough to enable them to appeal to the board for "farm relief" loans.

The Cleveland co-operative is one of only six or seven farmers' organizations in the country retailing milk. The board's actions may encourage others to go into retailing.

A similar situation has developed in Kansas City. There the fight has come to physical violence, sabotage, and threats of murder. Flying squadrons of masked men have stopped and dumped milk trucks bound for the city. The farmers have asked the Farm Board to investigate. Will the board again come to the aid of a fighting farmers' co-operative?

If it does so it will raise again one of the most difficult questions it has to face in its work under the Agricultural Marketing Act. How far can the purposes of that Act be carried out without combating or capturing the established agencies for distribution of farm products? Will anybody but the consumer gain by government-aided marketing competition of this kind? There are millions invested in private marketing machinery. For farmers either to fight it or to absorb it will cost the taxpayer a lot of money.

Agriculture ► To Get Crop News While It's News

THE Federal Farm Board has cut the Gordian knot of red tape which has prevented dissemination of foreign crop and marketing information similar to that on domestic conditions. Three economists—Dr. Edwin F. Gay of Harvard, Dr. Alonzo Taylor, and Asher Hobson—have worked out a plan to co-ordinate the work of foreign representatives of government agencies. Hereafter, these will co-operate in getting to Washington as quickly as possible data about farm products which might affect American prices.

Moreover, the Farm Board will provide, from its revolving fund, money to expand the government's foreign fact-getting services. Heretofore, the Department of Commerce and the Department of Agriculture, have been deadlocked over methods. The former maintained a few investigators abroad, but, in the main, depended on the crop information of the International Institute of Agriculture at Rome—chiefly reports from other European governments, often reaching Washington too late to be of service. In many countries first hand observers are needed. They probably will be provided under the new plan.

Service ► **Billion Dollar Wash for 1930**

AMERICA'S family wash is building a billion dollar business for the laundrymen.

The annual convention of the Laundryowners' National Association of the United States and Canada, held in Minneapolis, has set a billion dollar volume as goal for 1930; present annual volume is estimated at more than $750,000,000. Those who know conditions inform THE BUSINESS WEEK that growth is at least 10% a year.

The laundrymen have an efficient association. It plans their national advertising campaigns, tests out new methods and new machinery, works with textile manufacturers to assure production of cloth suited to laundry washing. It is now preparing to open a college to train laundry executives. Perhaps one reason for its efficiency is the keen competition of the washing machine manufacturers. These two industries work directly against one another.

George Mattmiller of Chicago, long a leader in the laundry organization, gives these reasons for confidence in continued growth:

"The growth in the volume of family business done by the laundries is proceeding at the rate of at least 10% a year. This is due to the great improvement in the quality of our work, made possible by improved equipment and technical knowledge gained from practical research.

"The industry is now in a position to serve every housewife. We have special services to fit every purse and need, and consequently are getting the business of the family which uses 'damp wash' and the one desiring 'de luxe' service, as well as those in the medium classes between. This brings volume of business. We expect a continuous increase in the demand for our services.

"Bankers regard laundry investments as almost in the class of public utilities. There is ready financing for every legitimate project.

"Our great national Institute of Laundering at Joliet, Ill., built to keep up the advance, will be a scientific proving ground for processes and ideas. A class of 100 students will be trained there in January for executive positions in the industry."

Underwood & Underwood

NEXT STOP—THE VATICAN

An unusual scene amid the seven hills of Rome—construction work begins on the new Vatican City Railroad

Construction ► **Watch Credit On $10,000,000,000**

THE credit status of a business that swallows an annual $10,000,000,000 slice of our $80,000,000,000 national income—12½% of the total—is vitally important to all business. With this in mind, the executive board of the Associated General Contractors, representing the business of construction, is planning a far-reaching credit house-cleaning campaign.

Objectives that will be stressed: pre-qualification of contractors; more rigid examination of contractor applicants for surety bonds; elimination of loose credit in sale of construction equipment and materials to contractors; exercise of greater care in extending banking credit to contractors.

To aid states in adopting pre-qualification ordinances, the association's surety division is drawing up a model act with special attention to the question of legality. (Overzealousness in some states has reaped executive vetoes.)

American Association of State Highways Officials, at its coming convention, probably will encourage the movement. Highway construction takes $1,700,000,000 a year. Buildings take $5,700,000,000.

Of this expenditure the sizeable amount that, directly or indirectly, goes to pay for construction accidents is waste. To check this waste the Associated General Contractors are calling for intensified educational work in the industry, opposing detailed legislation, complicated safety codes.

Distribution ► **Another War That Everybody Lost**

THE United Cigar Stores Company has passed its quarterly dividend. Lower cigarette prices did not create enough additional sales to offset the reduction in margins. No economic trick seems to work very far before it reaches a limiting factor. Reducing prices may broaden markets for automobiles and increase profit totals with mounting sales totals.

The same program doesn't work with cigarettes, even when backed by million dollar advertising campaigns—fresh proof that one industry's meat may be another's poison.

The cigarette price war damaged the industry seriously. Whoever won, lost.

Production ► King Coal Brightens Up Crown For New Reign

HIGHLY significant may be one item of recent stock-market news pointing to a steady rise in certain coal-mining stocks. Should this rise against the tide of a general decline be interpreted into an opinion that the coal industry is on the threshold of an overdue prosperity? If modernization of plants and improvement in management and sales procedure are contingent factors, then a better day has already dawned for this industry.

Public interest, long languid, has been attracted most by the large-scale reorganization of the Pittsburgh Coal Co. This company is making measurable progress. But other companies in the bituminous fields are as diligently engaged, and yet others in the anthracite field, as, for example, the Philadelphia & Reading Coal & Iron Co., which has launched a reconstruction program involving millions.

The broad scope of change in the business of producing coal is shown in *Coal Age* for October. That issue, devoted entirely to the methods and policies of The Hudson Coal Co., second oldest anthracite producer, draws a representative cross-section of progressive undertakings in the industry at large.

For example, the company is conserving fuel resources on its properties by systematic control of mining operations. Its conservation program provides for recovery of coal lost through the wastefulness of earlier methods. Machines have been installed to handle coal that could not profitably be touched by ordinary methods.

Standardization of equipment at Hudson mines is raising the efficiency of machines and lowering the cost of maintenance. Modern factory practice in other industries is watched; the best in manufacturing technique added to the latest in mining methods. Increasing use of electricity—last year the company's plants consumed 100,000,000 kw.-hr.—is lowering labor costs, and lightening jobs.

Encroachments of substitute fuels are being met by better anthracite. In fact, the quality of the product now offered would justify use of better combustion equipment. A large fraction of current investments is in preparation plants for cleaning coal mechanically.

Coal merchandising has become a highly competitive adventure. Alert to the necessity of intelligent merchandising methods, Hudson releases its coal through independent wholesale distributors and gives direct support to its retailers—along the lines followed by other commodity producers.

The company has refined its forecasting technique to a degree comparable with that of the automotive industry. Forecasting governs its extensions and curtailments to meet changing conditions.

Thus King Coal, made fighting mad by taunts that he is outmoded, is not merely trying to hold his own; he is stepping out aggressively to win back unquestionable title to his crown.

BIGGEST OIL WELL

It's Mother Nature's idea of production control at Sour Lake Oil Fields, Texas, where wells, derricks, boilers and tanks covering 150 acres have disappeared in one great hole, 150 feet down at deepest point, disturbing production throughout the entire field

Labor ► Mutiny Threatened In Miners' Union

THE last important stronghold of the United Mine Workers in the bituminous field is threatened as a result of factional strife between the parent body and the district organization in Illinois where there are more dues-paying members than in all the other district organizations combined.

Dissatisfaction with organizers and anger over the removal of sub-district officials are the chief causes of contention.

Relations reached open warfare this week when President John L. Lewis named Frank Hefferly provisional president in Illinois to succeed Harry Fishwick. Fishwick obtained a temporary injunction restraining the provisional government from interfering. His followers maintained control of the state offices, while the provisional group set up headquarters in a local hotel to await the outcome of a legal battle.

Illinois miners have contributed $14,000,000 in dues to the United Mine Workers during the 10 years that John L. Lewis has been president of the organization. Of this sum about $4,000,000 was distributed to Illinois miners in strike benefits and other compensations;

$6,000,000 was turned over to the international treasury. The district officials declare that in these 10 years they have received no financial support from the central office in return for their $6,000,000.

The district group also charges that attacks upon its officials by the parent body were caused by its refusal to support a plea for the continuance in office of A. D. Lewis, director of the State Department of Mines and Minerals, brother of John L. Lewis. Headquarters retaliated with the statement that two deposed subdistrict officials have admitted embezzling funds, insinuated that district officials have been involved in shady transactions.

Despite the warfare, the two factions continue to present a united front on wage matters. But a definite break between the United Mine Workers and its largest and most influential district group is possible.

Production ► **South's Cotton Mills Need Neighbors**

THE cotton-growing states had 18,800,000 spindles on September 30 against 14,500,000 in New England. But 18,000,000 were active in the South; only 10,700,000 in New England. Moreover, the South used her spindles an average of 292 hours during September; New England only 147 hours. Result: the South reported 5,500,000,000 spindle-hours of work during the month against just over 2,000,000,000 for New England.

The rush to the South is still on. Strikes may cause a slight pause but, after all, they are only in one state. The real question is whether the rush is the result of genuine, permanent economic forces. The facts in hand to date do not furnish the answer.

Economists urge the South to take a leaf from New England's experience and prepare against bad times by encouraging —subsidizing, if need be—other diversified industries. Hardship has been reported in single-mill towns in New England, extending to everyone in the towns directly or indirectly interested in their retail purchasing power, real estate demand, public utility service, community prosperity as a whole. Towns in which there has been diversification have been able to lose their cotton mills with little setback because other factories have taken up the slack in employment.

Textiles

Institute Will Stay Out Of Night-Shift Fight

ACTION on night operation in cotton-textile mills is again shifted. The Cotton-Textile Institute has refused to vote an amendment to its by-laws that would have permitted it to take an active interest in legislation (and thus urge legal restrictions on night work of women and children in states where no such laws exist).

Eben Whitman of the William Whitman Company, Boston, who proposed the amendment, maintained that abolition of the night shift would help solve the problem of over-production but was defeated by a vote of 450 to 145.

Industry leaders are careful to point out that the vote does not represent the feeling of Institute members on night operation, but registers their desire to keep the organization out of politics. Opponents of the night shift will carry on their fight through other industry channels.

Ever since the Cotton-Textile Institute was organized in 1926, the question of night work control has been discussed with increased frankness by far-sighted manufacturers who feel that it is only a question of time before most states North and South will restrict night employment of women and minors in factories. Important reasons advanced to show why the night shift as commonly operated is economically unsound and a menace to the industry, are:

It maintains a reservoir of potential production that, because of its assumed ability to reduce operating costs, is opened wider and wider as demand recedes, thus increasing over-production, resulting in larger inventory losses for night-shift than for day-shift mills, delaying or defeating organized curtailment and control of production;

The slight temporary cost advantage that night-and-day mills have over day-shift mills, operating on highly competitive staple goods, is more than absorbed in the depression that follows unbridled night operation;

Normal industrial growth of the industry is bound to catch up with the labor supply, and day-shift mills will have an important advantage in the competition for labor unless the night-shift is paid much higher wages.

Railroads ► **"Look Beyond The End-of-Track"**

RAPID extension of railroad operations beyond rails to highways, water, and air was predicted by President Marsten of the American Society of Civil Engineers in an address in Washington Oct. 18. He urged his fellows to exercise their vision and turn their thoughts toward the engineering problems involved in this phase of modern development.

International Photo

BEGINNINGS OF THE GREAT NORTHERN

Louis W. Hill inspects first vehicle used by his father, James J. Hill, when he began to develop his great transportation system in the Northwest. In the Empire Builder's early days he drove the old oxcart, laden with furs, over the Pembina trail from Canada.

Herbert Photo

HIGH, LONG, AND HANDSOME

Hotel hallway? No, just the world's longest look down an airplane fuselage. Monday, 169 persons rode in the new German machine, "DO-X"

Business ► **Business Needs News Guidance**

"THE news!" To this, make-up, illustration, arrangement, size of paper are incidental, Merrit Lum, second-in-command of Montgomery Ward's retail stores told the Associated Business Papers Convention at Chicago this week.

"Make no little plans. The accelerated tempo of business challenges you," said this one-time business publisher. "More than ever, business needs the guidance of the business press. Speed and change make all policies tentative. Business is worried. Business men have no secure tenures of their jobs. The reward in business is often to the shrewd guesser of the public whim."

"Make no little plans," echoed leading publishers of American and Canadian business papers, interrupting an editorial conference debate on dues increases. "Go as far as you like to promote the widest interests of business publishing and of business in general. We will see that the bills are paid."

Production ► **Would Try Again On Rubber Pool**

TO the 23,127,000 automobile owners in the United States spending annually $825,000,000 on tires, the question of crude rubber prices should be interesting. To the 248 members of the New York Exchange, it is vital.

Sturdy Dutch rubber growers met in Amsterdam Tuesday, discussed price stabilization, failed to agree unanimously on a plan, decided to invite British and American cooperation. Rubber markets reacted. The outcome awaits action in London, likely not to be friendly; in New York, probably passive, though pledged through Frank A. Seiberling, president of the Rubber Association of America, to cooperation in Amsterdam, where complete support has not yet been gained.

It is the usual market-control scheme. The Dutch propose to withdraw 45,000 tons of rubber from the market, create a cooperative central pool, stabilize the price at a figure somewhat above the present depressed 20 cents. Success depends on the cooperation of the majority of British and American interests. The time is auspicious: consumption is lagging (usual in the fall); production is at its yearly peak.

Rubber prices have been chaotically elastic over the last 20 years. Between 1908 and 1927 the price of crude rubber in New York, purchaser of 75% of the world's supply, fluctuated from $3 to 17 cents a pound. But between 1912 and 1921 the price declined steadily—after 1918, rapidly—until it was actually selling below cost of production.

In 1922 England (producing, through her colonies, 66.7% of the world's supply) made a dramatic move, through the Stevenson Restriction Act, to stabilize price. Rubber prices rose from 17 cents to $1.25; in 1928, they sank to 14 cents. The plan was withdrawn that year, with Britain then supplying only just over 53% of the world market. Non-cooperation from Dutch planters in the East Indies (and United States interests in the same islands) caused its failure, raised Dutch output to 2½ times its 1922 total. Assisting in the downfall were energetic Americans who, at home, increased the consumption of reclaimed rubber in 1925 to an amount almost equal to the crude. Outgrowth of the plan is the large increase in American leased holdings (4,938,000 acres, many of them not yet planted) in Asia, Africa, and South America—future worry to foreign growers. It takes eight years for a rubber tree to come to full yield.

Augury for the plan is gloomy. The Stevenson plan failed; the United States rubber pool finally liquidated with staggering losses; the Dutch, having failed the British in a similar situation, can scarcely expect their full support; world rubber interests seem apathetic to the proposal because of an underlying feeling that new manufacturing ideas will soon break. London and New York will be watched for the next move.

Production ► **Packers Consent To Practice Code**

CALVIN COOLIDGE'S suggestion to the meat packers four years ago bore fruit this week. The American Institute of Meat Packers adopted a code of trade practices.

Practices outlawed by the packers as "unfair business" include offering secret rebates, discounts or concessions, discriminating unduly among buyers, guaranteeing customers against market declines or advances, selling goods below reasonable value to injure competitors, attempting to evade contracts.

The packers evidently believe that what may be ethical in some lines isn't necessarily ethical for packers. The new code states "the giving with packing house products of premiums or coupons redeemable in money or merchandise for the purpose of obtaining business is an unfair method of business." Also, "Buying livestock at any public market without divulging purchase price at time sale is effected is an unfair practice."

Petroleum ► **Irigoyen Mystery Man No Longer**

THE mystery surrounding the oil laws of Argentina (page 41) is clearing away with a rapidity alarming to interests involved. Silent for five years, Irigoyen spoke his mind in a message to the Senate; urged passage of the bill providing for expropriation by the government of private holdings to achieve complete government monopoly of the industry. Foreign interests are apprehensive. The decision rests with the Senate. Will it respect the wishes of the provinces to maintain control, or of the president?

Swift Survey of Business Abroad

By Special Cable to The Business Week

EUROPE—General stock market sag in European bourses is attributed to lack of supporting capital due to long drainage toward America. Strengthening exchanges now show funds are beginning to come back following New York Stock Exchange decline; the franc has already reached the inward gold point. The November 5 meeting of the League which will take up taxation of foreign companies operating abroad, may affect profoundly American corporations operating in Europe. League action will be followed in December by conference on the agreement to abolish trade restrictions. Failure earlier this year of full ratification of the Geneva's 1928 proposals makes necessary this reconsideration of problems hampering international trade.

By Special Cable to The Business Week

France—Fall of the Briand government caused only small reaction due to prosperous conditions. The informed predict political reorganization either of a Briand-Radical-Socialist coalition, or of a Tardieu government. Most important to world business will be the policy of the new government in the Young Plan and the forthcoming naval conference. Recent bank consolidations indicate world trend has reached France.

U. S. Dept. of Commerce

Great Britain—Developments since the bank rate was advanced four weeks ago have fulfilled the more hopeful expectations. Sterling continues to rise. New security offerings are scarce. Australian securities continue to react unfavorably since the election of a Labor ministry; Brazilian securities are reacting to the gloomy outlook on the coffee market.

By Special Cable to The Business Week

Germany—Consummation of Kreuger and Toll loan of $125,000,000 is expected to alleviate present credit stringency. The loan is for 50 years at 6%; issue price, 93. The Boerse still remains depressed despite continued efforts of the larger banks to bolster its position. Rapid motorization is revealed by increase of 200% in automobile tax collections from 1928 to 1929. Because Finance Minister Hilferding lacks the confidence of foreign capital, badly needed for industrial expansion, inside advices are that a conservative successor will be chosen in November.

By Special Cable to The Business Week

Austria—New Schober government shows strength after virtually compelling the fusion of Bodencredit with Creditbank, which averted the collapse of the former and the panic that would have resulted. The government is now promulgating constitutional changes to give the president, through popular election, wide powers, instead of making him a parliamentary-elected figurehead as heretofore. This should mitigate internal schisms and permit consecutive policies towards the realization of potential Austrian prosperity as an international central European clearing house.

By Special Cable to The Business Week

Poland—Fusion of the Anglo-Polish and Commercial Bank is an important step in the consolidation of British leadership over other foreign commercial and industrial interests, excepting petroleum and public utilities controlled from America.

FAR EAST

U. S. Dept. of Commerce

Japan—Juichi Tsushima, financial commissioner, has left for New York for negotiations incident to removal of gold embargo. Yen shows strength. Industrial production is large and shipping active. Advances to shipbuilders not now receiving subsidies. Fall cocoon crop excellent. Government steel works are planning 10,000,000 yen expansion. (Radio)

U. S. Dept. of Commerce

China—Export commodities in North China are moving despite outbreak of hostilities and heavy troop movements. Exchange favors export trade but forward business is slack due to political uncertainty and inability of native suppliers to guarantee delivery. Business is bad in the South. Nanking has ordered Central Bank of Canton to discontinue redemption of central bank notes, which dropped to 70 cents on the dollar. Manchurian officials threaten separate agreement with Moscow. (Radio)

LATIN AMERICA

Extraordinary session of Argentine legislature convenes with items on agenda important to business. Chile continues industrial progress. Caribbean trade inactive.

U. S. Dept. of Commerce

Argentina—Business is quiet but sound. Crop conditions, except in flooded northern provinces, are good. Trade with Paraguay and Northern Uruguay is at a standstill because of floods along the upper Uruguay river. Property damage is heavy. Mexican officials in Buenos Aires are negotiating with government officials for Vera Cruz-Buenos Aires steamship line and wider exchange of products. (Cable)

U. S. Dept. of Commerce

Chile—Acquisition by Anglo-Chilean Consolidated Nitrate Corporation of large Chilean company puts into American hands almost 50% of nitrate production in Chile. The Guggenheim refining process will be installed in all newly-acquired plants. Contract has been let for construction of new transandean railroad tunnel to expedite traffic to the Argentine. (Cable)

What the Figures Show

FIGURES OF THE WEEK

(Compiled with the co-operation of the Survey of Current Business)

PRODUCTION	Latest Week	Preceding Week	Year Ago
Steel Mill Operation (% capacity)	80	79	86
Building Contracts (F. W. Dodge, daily average in thousands)	$13,836	$18,649	$21,530
Bituminous Coal (daily average, 1,000 tons)	1,931	1,852	1,879
Petroleum (daily average, 1,000 bbls.)	2,903	2,838	2,504
TRADE			
Car Loadings (daily average, all classes, 1,000 cars)	197	197	198
Check Payments (outside N. Y. City, millions)	$ 6,558	$ 6,656	$ 6,269
Wheat Receipts (1,000 bushels)	7,381	9,079	18,356
Cotton Receipts (1,000 bales)	973	885	937
Cattle and Calves Receipts (1,000 head)	335	364	324
Hog Receipts (1,000 head)	469	503	443
Wool Receipts (1,000 lbs.)	2,041	1,177	892
PRICES (Average for the Week)			
Wheat (No. 2, hard winter, Kansas City, bu.)	$ 1.21	$ 1.24	$ 1.11
Cotton (middling, New York, lb.)	$ .182	$ .187	$ .200
Iron and Steel (composite, ton)	$36.16	$36.24	$35.63
Copper (electrolytic, lb.)	$ .178	$ .178	$ .152
All Commodities (Fisher's Index, 1926-100)	94.6	94.7	98.9
FINANCE			
Total Loans and Discounts, Federal Reserve member banks (millions)	$17,397	$17,269	$15,989
Commercial Loans, Federal Reserve member banks (millions)	$ 9,522	$ 9,582	$ 9,133
Brokers' Loans, New York Federal Reserve member banks (millions)	$ 6,634	$ 6,801	$ 4,772
Federal Reserve System Ratio	74.5	73.1	68.0
Stocks Sold (N. Y. Stock Exchange, 1,000 shares)	20,811	19,140	24,444
Stock Prices (N.Y. Times, average 50 stocks)	$289.73	$294.65	$210.49
Bonds Sold (N. Y. Stock Exchange, par value, thousands)	$64,165	$56.081	$52,888
Bond Prices (Dow, Jones, average 40 bonds)	$ 92.89	$ 92.16	$ 96.58
Interest Rates—Call Loans (daily average)	6%	6%	6⅞%
Interest Rates—Time Loans (daily average)	7¾%	8¾%	6⅞%
Business Failures (Dun, number)	359	368	480

THE latest week's records indicate a somewhat steadier tone in industrial activity, but with evidence of slight hesitancy in general trade. Whatever recession in business may be taking place is clearly slow and gradual, and the comparison with last year is quite favorable.

The general average of operations in the steel industry is a shade higher for the week, at 80% of capacity compared with 79% in the preceding week and 86% last year. This is due to a slight increase in the Steel Corporation's activity from 82% to 83%, which makes the level not far below last year's 86%. Independents continued steady at practically 77%.

The encouraging resistance of steel operations to the downward trend is generally explained by the sustained level of railroad demand. Rail buying appears to be slightly above the normal rate for this time of the year, and equipment orders are maintaining the peak level reached in May. Structural steel orders rose sharply for the week. Automobile demand is at a low level.

FINAL figures for September production of automobiles show 429,149 as compared with 436,507 during September, 1928, the first month this year in which total cars and trucks produced in the United States and Canada fell below the figure for the same month a year ago. It is considered doubtful whether October production will equal that of September. Ford's announced schedule for the remainder of the year indicates curtailment to about 50% of his October production rate. Sales in September are estimated by *Automotive Industries* to have been 15% above last year, but new car stocks are over 50% heavier now than a year ago, and used car stocks approximately 20% greater.

Bituminous coal production, on a daily average basis, showed a sharp rise for the latest week.

There was an increase again in daily average petroleum production, bringing it to a level about 400,000 barrels daily above last year at this time. Production increased in both Eastern and California fields. The rise brought a further and quite considerable cut in the crude petroleum price by Standard Oil of California.

THE general downward drift of prices continues, Fisher's index for all commodities being a shade below the preceding week. The decline has been practically continuous since July. On the average, wheat and cotton prices were rather sharply lower for the week, cotton being considerably below last year's level.

There was some strengthening in

cotton toward the end of the week, under the bullish influence of Farm Board plans for price stabilization. The Department of Agriculture feels, however, that the trend of farm prices is likely to be downward for some time, particularly in wheat and cotton, because of exceptionally large visible supplies and low export demand. Declines since the middle of October have affected most of the leading farm products.

Iron and steel prices are lowest since December, 1928 and 97 cents below the peak for this year, but the weakness is reported to be not general as yet. Although copper prices remain stable, the continued slackness in demand at this season is possibly significant.

GENERAL trade indicators show some unsteadiness. Total bank debits or check payments outside New York City fell off for the week but are still above last year's level. There was a decline in the total outstanding commercial loans of Federal Reserve member banks for the latest week, but these, too, are still above the last year's figures.

Daily average carloadings for all classes for the latest week remain substantially the same as for the preceding week and last year at this time. There was, however, considerable decline in total loadings of miscellaneous freight as compared with last year, and a rather large drop in less-than-carload merchandise loadings as compared with the previous week, although the latter were somewhat above last year's level. While declines in carloadings are usual at this season, the falling off in these special classes has some significance as an indication of general trade movements.

Money and the Market

STOCK markets crashed this week. The loud report echoed and re-echoed in the canyons of Wall Street and reverberated from San Francisco and Chicago to London, Paris and Berlin. The drop from the dizzying heights of last summer, in progress since early September, was accelerated until its speed was measured in billions of dollars.

The final and utter rout of the bulls was evident as completely discouraged speculators dumped their stocks. All records for sales were passed as New York Stock Exchange saw a 12,000,000-share day, the Curb a 6,000,000-share day, and Boston, Chicago and Pacific Coast exchanges pushed sales to all-time high totals. Tickers and other physical machinery were swamped as near-chaos reigned.

Selling of stocks was urgent with a disheartened public, necessitous for those holding securities on margin. No particular item of news influenced the market. The market itself was the news of the week. Discouragement accumulated over past weeks, coupled with insistent hammering by bears, was responsible. Margin accounts were caught by the thousands, accentuating the decline. Heavy foreign sales and repatriation of foreign funds added to the drop. The whole movement marked an increasing recognition that prices were entirely out of line with values.

The bright spot of the week was the bond market. Here, again, sales were higher than in many months, but the price movement was upward instead of downward. Bond prices have moved forward for most of the month, stimulated by cheap money, falling stock prices and the high yields prevailing there in comparison with yields on equity securities.

Relation of the securities markets to the general business situation is adequately discussed in other pages. The stock market's return to normalcy is a more generally helpful sign to business than a harmful one, although some immediate bad effects in curtailment of purchasing power will be felt. The market this week has not been a reflection of business conditions.

If the past be a criterion, the worst of the market decline is now over. Extreme price movements in either direction usually have been marked by abnormal volume of trading, such as took place this week. Further, prices are more nearly in line with actual corporation prospects. The turn to bonds is probably indicative.

The money market tended easier as is natural in a decline. But money was not a factor of importance in the stock market. Call money was steady at 5% and 6%, while time rates for short maturities dropped to 7% against 9% a few weeks ago. Two successive decreases totaling ¼% were made by acceptance dealers.

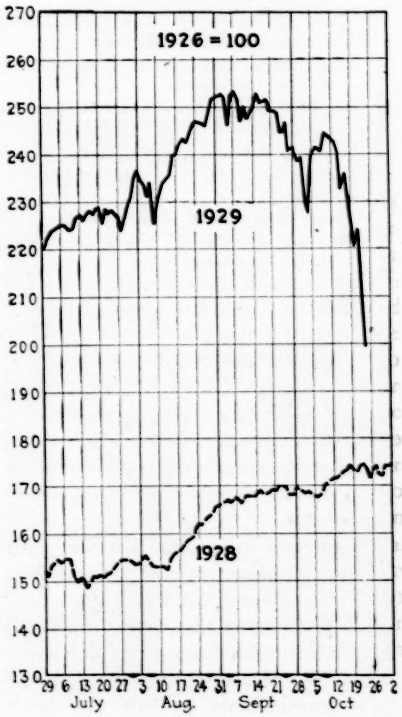
The New York and Boston Federal Reserve banks reduced their buying rates on acceptances ⅛% to correspond to market rates. This puts the Reserve system on record for continued ease in money. The other banks will follow. The monthly acceptance report showed a further increase in the total of bills outstanding to near the new high record. Most significant event was that acceptances based on goods stored or being shipped abroad exceeded bills based on imports, indicative of the international position of the dollar acceptance.

Foreign exchanges moved sharply upward in the week to the highest points they have reached in 12 to 18 months. The franc was at the gold exporting point; sterling nearly there. Comparatively low rates on money here, plus movement of funds to their home countries accounted for the strength.

Brokers loans declined $167,000,000 to total $6,634,000,000. While a large decline, it was, of course expected. Considerably further liquidation of these loans is needed. All classes of lenders showed a decrease in total. The Federal Reserve gained gold and now holds more than in some time. Discounts dropped to $796,000,000 as the Reserve system continued to buy acceptances.

THE MARKET DAY BY DAY

(Standard Statistics Company's Daily Stock Price Index)



Wages Well Sustained

THERE is no sign of general business recession in the government's latest figures on employment, and the relatively high level of wage-earnings, combined with a declining price level, indicates that general consumer purchasing power is holding steady, well above last year. The chart on this page shows the trend in the past two years in per capita earnings and living costs.

General employment in September in manufacturing, mining, quarrying, public utilities, trade, hotel service and canning increased 0.8% over August and total payrolls 1.2%.

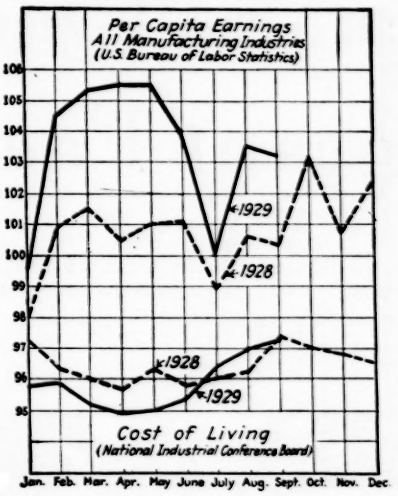
In manufacturing industries alone, including over 3½ million workers, employment was 4.5% greater than in September, 1928, payrolls 7.5% greater, and per capita earnings almost 3% above last year. In the 10,306 reporting establishments the working force was 93% of full normal, working an average of 98% of full time. Manufacturing employment was highest since March, 1927, and payrolls higher than any September since 1923.

Food products, textiles, iron and steel, leather and its products, chemicals, agricultural implements, electrical machinery, apparatus and supplies all showed a markedly higher level of employment than last year at this time. Of the twelve industrial groups only three—stone, clay and glass products, tobacco and automobiles—employed a smaller number of workers than last year.

The Employment Service of the Department of Labor, in touch with current conditions of labor supply and demand in lines other than those covered in the Department's statistics, reports also that employment as a whole was well sustained during September. As might be expected from known conditions in these industries, there were local surpluses of labor in the automobile manufacturing and the building trades, but contraction in some industries was offset by increased labor demand in others. Municipal improvements and highway construction called for large numbers of skilled and unskilled workers. Employment in anthracite and bituminous coal mining was more active than usual, as were metal mining, metal-working trades, and plants manufacturing boots and shoes, jewelry, electrical apparatus, radio and accessories with prospects for good holiday trade.

WAGE EARNINGS AND THE COST OF LIVING

(Monthly average 1926=100)



Prices Decline

SINCE July there has been a gradual downward trend in commodity prices. The September report of the Bureau of Labor Statistics showed a continuation of the decline, and the weekly indexes for October indicate that it has not been checked. The decline between August and September was slight, amounting to only 1/5% for the month, but it brought the general price level in September about 2½% below a year ago. The Fisher weekly index shows a larger decline to date, about 5% below last year. A similar decline has been going on in most other countries.

It is too early to say whether the continued weakness in prices is of any general significance in relation to business and the credit situation. The fluctuations in the price level in the past eight years have been relatively mild compared with those during the war and after-war period, but they have generally accorded with the equally mild ups and downs of business activity. The upswing of prices from the middle of 1927 was stopped in the fall of 1928. Since then there has been an irregular but definite downward drift, in spite of the rising curve of business activity during the past year. It is probable that the high level of money rates during the past year has tended somewhat to depress commodity prices, and that the downward trend may begin to have a dampening effect upon business during the next six months if no easing of credit conditions takes place.

Whether or not falling commodity prices will necessarily check business in present conditions is an open question. Declining prices may be a sharp challenge to management and engineering resourcefulness, but they discourage dangerous inventory speculation and tend to create the wider markets that cost reduction through volume production requires. American business has learned that low prices do not necessarily mean low revenues, just as it has learned that high wages do not always mean high costs.

There is, of course, a limit to every truth, and a long-continued and drastic fall of prices is likely to bring a business depression if there is no gradual and reasonable readjustment of wages to the price level. In practice this usually takes place through reduced employment, a process that often sets up a vicious circle in which no one wants to get caught, for it is hard to break out of without hurting somebody. Less employment and wages mean less purchasing power, which mean in turn lower prices and thus lower wages, and so on, till some external influence like cheaper and more abundant credit breaks the charm.

It is reassuring that the fairly steady level of wages and gradually rising level of employment has been accompanied by a fairly steady level of living costs for wage earners. The cost of living has always tended to follow, with some lag, the level of commodity prices. For the first nine months of this year the cost of living index has averaged somewhat lower than last year. Real wages have thus tended to be higher this year, expanding the general purchasing power without putting too great a strain on management to meet rising labor costs.

If we can't have a perfectly stable price level—and none is imminent—it is probably better to have one that is gradually falling than one that is rapidly rising. Prosperity is likely to last longer on a falling price level than on a rising one, for the simple reason that wages drop less rapidly than prices when they are falling and rise less rapidly when they are ascending. There is thus a cushion of consumer purchasing power to ease the decline, whereas it tends to vanish in periods of rapid price inflation and brings prosperity to an abrupt end.

There's No Quota on Immigrant Factories

ANNOYANCES and restrictions such as beset the American industrialist who attempts to extend his manufacturing operations to foreign countries are unknown to the European manufacturer who establishes a branch factory in the United States, or who acquires control of an American plant.

He operates in this country practically without hindrance. He encounters no tariff walls splitting the component parts of his market. There is no discriminatory taxation imposed upon him, no hampering legislation, no restraining local regulations of the sort which frequently embarass American firms in their overseas projects. If the foreigner is wise enough to adopt American wage scales and factory standards, he is almost always able to compete on an equal basis with local concerns. He must combat little or no nationalistic propaganda, for in general American industry does not oppose the westward movement of European capital, although it resents the occasional invasion of foreign methods.

The infiltration of European capital into American industry and business has been gradual, and has been carried on with so little commotion that few persons are aware of the extent to which supposedly American concerns have come under foreign domination. Foreign investments, principally European, in American industrial enterprises, have reached the huge total of about $4,000,000,000, and are increasing annually.

In 1927 about $28,000,000 of foreign capital was put to work in this country, and in 1928 the amount increased to $70,000,000. No estimate can yet be made of the sum invested this year, but there is every indication that there will be another substantial increase.

THE greatest concentration of foreign money is in the rayon industry. Of the 98,000,000 pounds of rayon produced in the United States in 1928, about 62%, or some 61,000,000 pounds, was manufactured by plants operating under foreign control. These include Celanese Corporation and Viscose Company (British); American Bemberg Company and American Glanzstoff Corporation (German); American Chatillon Corporation (Italian); and American Enka Corporation (British and Dutch). Nearly all of the foreign investment in 1927 was in rayon plants, and about half of the $70,000,000 invested in 1928. The remainder was devoted to manufacture of molasses, steel, moving picture films, phonographs, tobacco, firearms.

In general, manufacturing plants in this country controlled by foreign capital are branches of European concerns of long standing. Some, however, were originally American factories, bought outright. Control of still others was acquired through purchase of small blocks of stock over comparatively long periods. That is what happened to the Columbia Phonograph Company, now a British concern. English financial interests made no concerted effort to acquire Columbia. But Columbia products were so well liked in England that from time to time, as they had funds, small investors purchased the company's stock. After a few years it was discovered, to everyone's surprise, that the British investors had unknowingly gained control.

British interests in American industry are greater and more varied than those of any other foreign country. The Ger-

Plants operated here but owned abroad grow quietly to impressive total

mans have confined themselves almost entirely to rayon and chemical manufacture. French capital in this country is principally used for the production of perfumes and other specialized goods. Belgian, Swedish, Dutch, and Italian interests are as yet confined to a few scattering plants.

The following list contains most of the better-known enterprises which are either owned, or controlled in part or wholly, by foreign capital. Some of those listed as British are probably Canadian, as it is well known that Canadian capital has moved across the border in large sums in recent years:

BRITISH

AMERICAN SALES BOOK CO.; EASTERN SALES BOOK CO. Owned by American Sales Book Co., Ltd.

Cap. $4,000,000. World's largest makers of merchants sales books. Makes related products. Plants at Niagara Falls, Elmira and Glendale, N. Y.

AMERICAN POTASH & CHEMICAL CORP.

Cap. $6,500,000. Refines borax, potash, etc. Plants in California.

BRITISH AMERICAN TOBACCO CO., LTD.

Cap. $150,000,000. Handles export business of American Tobacco Co., American Cigar Co., Consolidated Tobacco Co. Has two plants in Virginia.

BORAX CONSOLIDATED, LTD.

Cap. $12,500,000. Borax mines.

CELANESE CORP. OF AMERICA.

Cap. $30,000,000. "Celanese" rayon yarns. Plant at Cumberland, Md.

THE AMERICAN THREAD CO.

Cap. $15,000,000. Makes thread. Operates five plants in New England; spinning mill in Georgia.

THE BRITISH-AMERICAN OIL CO.

Cap. $1,000,000. Petroleum and its products. Refineries in Texas and Oklahoma.

CELLULOID CORP.

Cap. $10,000,000. Controlled by Celanese Corp. of America. Makes "Celluloid" pyroxylin products. Plants at Newark, N. J.; Cumberland, Md.

COLUMBIA PHONOGRAPH CO.

Cap. $5,000,000. Columbia phonographs, records and radios.

CROSSE & BLACKWELL, INC.

Cap. $2,500,000. Jams, marmalades, etc. Plant at Baltimore, Md.

R. & J. DICK CO., INC. Owned by R. & J. Dick, Ltd.

Cap. $2,000,000. Boots, shoes, patent leathers. Plant at Passaic, N. J.

DUNLOP TIRE & RUBBER CO. Owned by Dunlop Rubber Co.

"Dunlop" tires and rubber goods. Plant at Buffalo, N. Y.

FIRTH-STERLING STEEL CO.

Cap. $2,500,000. Tool steels. Plant at McKeesport, Pa.

LEVER BROTHERS, LTD.

Cap. $650,000,000. "Lux" soap products.

MASSEY-HARRIS CO., LTD.

Cap. $25,000,000. Agricultural implements. Plants at Batavia, N. Y.; Racine, Wis.

ROLLS-ROYCE OF AMERICA

Cap. $3,600,000. Automobiles. Plant at Springfield, Mass. Owns Brewster & Co., custom body builder. Plant at Long Island City, N. Y.

WM. A. ROGERS, LTD.

Cap. $3,000,000. Silverware. "Heirloom Plate"; "Wm. A. Rogers"; "1881 Rogers A-1." Plants at Niagara Falls, N. Y.; Northampton, Mass. Owns Oneida Community Co. and Simon & George H. Rogers Co.

VISCOSE CO. OF AMERICA. Controlled by Courtaulds, Ltd.

Cap. $10,400,000. Rayon and products. Plants at Marcus, Lewiston and Meadville, Pa.; Nitro and Parkersburg, W. Va.; Roanoke, Va.

GEORGE WESTON BISCUIT CO. Owned by George Weston, Ltd.

Fine biscuits. Plant at Watertown, Mass.

GERMAN

AMERICAN BEMBERG CORP.

Cap. $8,000,000. Rayon and its products. Plant at Johnson City, Tenn.

AMERICAN I. G. CHEMICAL CORP.

Cap. $13,000,000. Holding company. Owns or controls: (1) Agfa Ansco Corp. Photographic equipment and materials with plants at Binghamton, Johnson City, and Afton, N. Y. (2) Ansco Photo Products, Inc. "Ansco" cameras and equipment. Plant at Binghamton, N. Y. (3) Agfa Photo Products Corp., New York. (4) Agfa Raw Film Corp., New York. (5) The General Aniline Works, Inc. Plant at Al-

bany, N. Y. (6) General Dyestuffs Corp. Sales subsidiary, New York.

AMERICAN GLANZSTOFF CORP.

Cap. $7,000,000. Artificial silk, artificial straw, artificial horsehair. Plant at Elizabethton, Tenn. Affiliated with American Bemberg Corp.

HEYDEN CHEMICAL CORP.

Cap. $1,800,000. Pharmaceutical products, refined chemicals. Plants at Garfield and Perth Amboy, N. J. Owns Norvell Chemical Corp.

ITALIAN

AMERICAN CHATILLON CORP.

Cap. $5,500,000. Artificial silk. Plant at Rome, Ga.

FRENCH

COTY, INC.

Cap. $2,000,000. Perfumes, cosmetics, toilet waters, etc. Trade names—"L'Origan"; "Chypre"; "Ambre Antique"; "Paris"; etc. Laboratory at New York. Owns Marie Earle, Inc.

BELGIAN

ALLIED CHEMICAL & DYE CORP.

Cap. $50,000,000. Holding company. Owns or controls: (1) The Barrett Corp. Coal tar products. Operates 30 plants in U. S.

(2) General Chemical Co. Acids and chemicals. Operates 16 plants in U. S.

(3) National Aniline & Chemical Co. Dyestuffs. Plants at Buffalo, N. Y. and Marcus Hook, Pa.

(4) Semet-Solvay Co. Coke and its by-products. Operates plants throughout U. S. Also owns: (a) Ashland By-Product Coke Co. Ashland, Ky. (b) Ironton By-Products Coke Co., Ironton, O. (c) Semet-Solvay Engineering Corp. (d) Steere Engineering Co.

(5) The Solvay Process Co. Alkalis and soda products. Plants at Syracuse, N. Y., Detroit, and Hutchinson, Kan.

(6) Atmospheric Nitrogen Co. Nitrogen fixation products. Plants at Syracuse, N. Y. and Hopewell, Va.

SWISS

NESTLÉS FOOD CO. Controlled by Nestlé & Anglo-Swiss Condensed Milk Co.

Cap. 125,000,000 fr. Condensed milk and infant foods.

SWEDISH

INTERNATIONAL MATCH CO.

Cap. $80,000,000. Controlled by Swedish Match Corp. Matches. Plants all over the world.

S K F INDUSTRIES, INC.

Controlled by Swedish Ball Bearing Co. Ball and roller bearings. Plants at Philadelphia, Pa. and Hartford, Conn.

DUTCH & BRITISH

AMERICAN ENKA CORP.

Rayon products. Plant at Asheville.

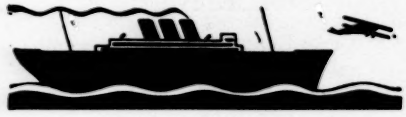
While the Railroads Watch from the Shore

TO the troubles of the Interstate Commerce Commission, already vexed by pressing railroad problems, add inland waterways—specifically, the applications of the Mississippi Valley Barge Line and the Ohio & Mississippi Transit Company for certificates of public convenience and necessity. The companies can operate their boats without the certificate, but it is an essential as the first step toward securing joint rates with the railroads.

The Mississippi Valley Barge Line proposes to inaugurate weekly common carrier service between Cincinnati and New Orleans, beginning February 1. Under the Denison amendment to the Waterway Act, the I. C. C. must institute proceedings with the railroads, requiring them to make through routing agreements with the waterway carriers. The application is looked upon by shipping men as a test of the government's future policy in promoting co-ordination between the inland waterways and the railroads. Also, it will decide whether the granting of a certificate is mandatory, or whether the I. C. C. may employ its own discretion.

The railroads have not yet filed objections to the applications, and are not

inclined to hinder the development of inland waterway transportation if economically justified. But according to R. H. Aishton, president of the American Railway Association, the roads are opposed to government competition. They want, he says, "even-handed justice," and are likely to protest to the I. C. C. against granting the certificates. The principal objection of the roads is that inland waterways subject them to competition wherein the competitor is relieved of operating costs which they must meet out of revenue. Moreover, through the Inland Waterways Corporation, the government has made the highways of the water carriers available and has maintained them; and the corporation operates without tax burdens. Finally, railroads object to rate-making methods on government barge lines. They characterize them as unfair, pointing out that



shippers who use the waterways are given a 20% reduction from the corresponding rail rate.

Despite these objections, presidents of six of the largest railroad systems in America were present last week at the celebration of the opening of the completed lock system of the Ohio River, which provides a uniform depth of nine feet from Pittsburgh to Cairo and opens the river for continuous navigation. Their presence is regarded as sufficient proof that some railway executives consider rail and water transportation co-operative rather than competitive.

The Ohio celebration calls attention to extensive plans under way for the development of inland waterways. The government program includes projects for the improvement of more than 200 harbors, almost 300 rivers, and more than fifty canals. Major items include seacoast harbors, intracoastal waterways, the Panama Canal, Great Lakes harbors and channels, and the Mississippi River system. Other important work awaits action by Congress, including an eastern outlet from the Great Lakes to the Atlantic, a ship canal connecting Philadelphia and lower New York Bay, and the Florida Ship Canal.

Amtorg Seeks Easier Credit

AMTORG, that peculiar hybrid of Soviet trade delegation and Soviet company, was ignored for awhile. Now it is pelted with catalogues of American manufacturers. American firms are losing their distrust of the Soviet institution, incorporated in New York State, which does Russia's buying here. Soviet purchases in the United States were $109,000,000 during the fiscal year ended September 30; $91,000,000 in the preceding year. Amtorg alone spent $73,000,000.

The trade is on prices and terms that return good profits to American business.

Many American firms demand 100% cash on the nail in doing business with Russia. By contrast, two or three large corporations which are selling a large volume of equipment to Amtorg ask no down payment. The typical deal is, cash, 40% to 50%, covering material and labor costs, balance over two years. The American firm gambles only on its overhead and profit.

Amtorg meets its obligations promptly and has never defaulted on a dollar. Just one slip and the jig is up. The Soviets know this.

The Amtorg has not been very successful in squeezing down prices for American products. Manufacturers receive their regular list prices and many of them add a premium to purchases made by the Amtorg. The Russian trading companies in England have forced the margin of profit down; in Germany they have shopped around so successfully that the German firms have formed a protective committee to maintain some uniformity in prices.

Some improvement is reported by the Amtorg in long-term financing of purchases made during the past year. Orders placed with the International General Electric, Westinghouse, and a dozen other large corporations involve credits of three years or more—arranged usually, however, to keep step with deferred deliveries of the goods. Credits for one year or more were granted by 200 firms.

V. S. Korobkov, a director of the Russian state bank, asserts that Russian credit in the United States is extremely unsatisfactory both as to cost and terms. He insists the time has come for those banks which "take an indirect part in financing Soviet business transactions to begin granting direct credits."

Five years, he says, have proved the Soviet banking system sound.

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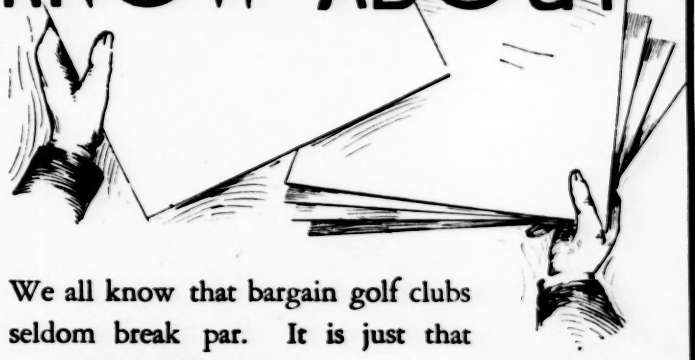

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It Could Only Happen Here

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THREE-QUARTERS of a century ago a London blacksmith's son, himself a journeyman bookbinder just graduating into science, was exhibiting and explaining a contraption of his making to the greatest statesman in the world. Michael Faraday's little machine was making electricity. The mighty Gladstone had condescended to examine the latest scientific toy. The leonine head and shoulders which bore the weight of the budgets of an Empire bent forward with curiosity, with amusement.

"Yes, Mr. Faraday," observed the historic voice, with just a trace of patronizing humor. "It is a very ingenious and a very pretty toy that you have there. But tell me, what good is it? What are you going to do with it?" Faraday did not wince under the gentle snub.

"Electricity, Mr. Gladstone," he replied," is today a baby. But it will grow up. Mark my word, Sir. Some day you will tax it."

Just fifty years ago a handsome, dark, rather thick-set young man with a lurking resemblance to Napoleon Bonaparte about his face and figure found himself similarly exposing an invention, but to less illustrious visitors, merely to the idly curious, to a few friends and chance acquaintances, to cranks, to newspaper reporters. This young man in his quaintly disordered laboratory boasted three months of formal schooling up in Michigan, was frankly an ex-railroad newsboy, an ex-telegrapher. This particular invention, by no means his first, was not exciting universal faith, right at the start. The learned were dubious. The practical were sceptical. The uninstructed were indifferent. The newspaper accounts spoke, however, of the air of confidence of the burly young inventor. It was a simple enough looking thing. It was simply a bulb of glass containing a loop of carbonized cotton thread which, observers said, had glowed in its little vacuum for more than forty hours. It made, for the first time in the history of the world, light without fire. It was easy to reckon its stupendous consequences. If it really worked it would bring revolution upon revolution through all of life. It meant control of light, it meant light for everybody, a whole new lighted world right out of the dimness of a universe badly lit by ancient fire.

Thus it could be that this week the world entire could celebrate the golden jubilee not only of inventor Thomas Alva Edison but of light itself, for he had brought this light to the world. It was a touching and a magnificent occasion, touching in that it partook of the integral simplicity of the great man himself and of his authentic surroundings, magnificent in that it brought together, physically and spiritually, a congregation of eminences which have seldom if ever graced by their tribute a private achievement. Princes and presidents paid homage to something which the power of all their battalions and navies could not achieve. The materially great were there in force as guests of the richest self-made man in the world to inaugurate a veritable museum erected as a permanent memorial to the wizard and the benefactor. From across the sea came magically the praising accents of one who is proclaimed the most significant of contemporary minds, the heir to Newton himself, torch-bearer of the pure thought which has been the glory of science throughout the ages. The nation itself stood up as if at attention in some almost religious reverence. The minutes it spent in joyfully lighting up the darkness recall by contrast those other minutes of silence which commemorate the great regretted errors of mankind.

It was altogether proper and fitting and indeed characteristic that the celebration of the fiftieth anniversary of Mr. Edison's invention of the incandescent lamp should take on such solemnity. For he is of the enduring type of the American man of genius which endears itself permanently in the hearts of a people whose greatness is essentially practical, whose very sentimentality is more aroused by high feats of fact than by any older and more used accomplishment of the mind and soul. Our politics are still too prosaic to exalt, our arts are too immature to inspire, our arms are

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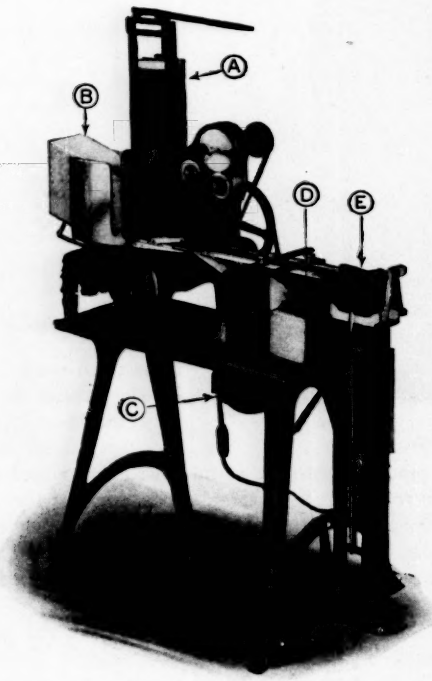

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Press electric switch "C".

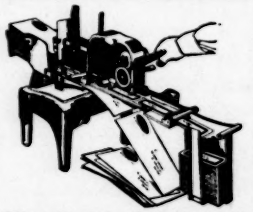
WHIZ-Z-Z!

Envelopes and stencils AUTOMATICALLY feed into printing position and addresses are NOISELESSLY printed. The same smooth ROTARY motion that *prints* each address automatically *ejects* the addressed envelopes and stencils into hoppers "D" and "E".

All operator has to do is fill and empty the hoppers. Machine never need be stopped for loading, inking or unloading. Makes an easy day's work of addressing as many as 100,000 envelopes, mailing-pieces, post cards, etc.

High Speed, Troubleproof Simplicity and Popular Price

were never successfully combined in an AUTOMATIC Addresser until the Elliott Addressing Machine Company perfected the two unrivalled speedsters pictured here!



"Elliott" also offers the only small Hand-Driven Addresser with AUTOMATIC ENVELOPE FEED!—"Model 125".

CLIP and MAIL this COUPON

- ☐ **FREE Catalog**
- ☐ **FREE Demonstration**
- ☐ **FREE Book about Direct-Mail Advertising**

Check what is wanted at left, attach to your business letterhead, and address to the Elliott Addressing Machine Co., Cambridge, Mass., U. S. A. (or 84 St. Antoine St., Montreal, if you are in Canada).

not yet a part of us and may well never be. But as a race of business creators, of thinkers and feelers in concrete terms of action, we are very appropriately awed by the spectacle of the inventor of genius. Of all the types of great mental men, the prophet, the artist, the statesman, the warrior, it is he, the lonely, eccentric Yankee genius of contrivances and devices who is most intelligible to our minds and most heating to our emotions. It is in such affectionate veneration that the nation holds Mr. Edison today.

He has the merit of being one of us, out of our soil, the product of our own great adventure. He is not in the distance, like the older type geniuses. He is not far from us. Rather is he only quite simply above us, like some mountain standing off our own plain. For despite his homely simplicity and raciness of our own clay he has that sublimity of the mountain; for him "an ampler ether, a diviner air."

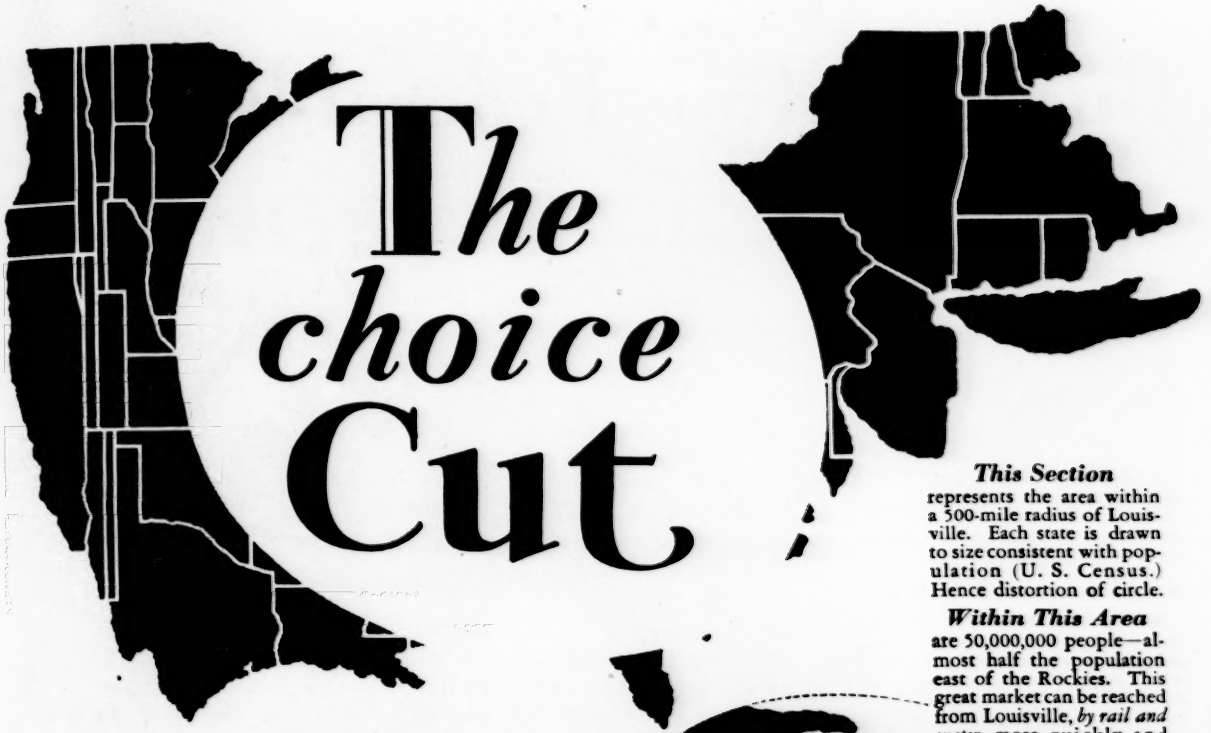
▼

"A Few Fleas Are Good For a Dog"

CHAIN stores cannot compete with 28% of the independent retailers. They are invincible. The chains have given up trying to invade their market. The traditional price advantage of chains doesn't exist—these retailers can beat any price that chains can set. They set a definite limit to chain growth.

Professor Nystrom has recently pointed out that the 28% of all retailers, omitted from the recent distribution censuses in 11 cities, because their business amounted to less than $5000 a year, are much more strongly intrenched than generally recognized. They have no rent; they usually use the front room of a living apartment on the street level for the store. They have no employees—the wife and children tend to the store. They don't worry about pay for the manager; he often has a job elsewhere (either day or night work) and only relieves his wife in attendance during his off hours. He has no dividends to earn on capital; he seldom borrows beyond the credit his wholesalers will extend him. Whatever margin he realizes between cost and selling price is additional income for himself and his family.

These 28% of all retail stores lead all known retail organizations in economy of operations. The chain stores cannot exist in neighborhoods plentifully supplied with them. As credit risks, strangely, these small retailers stand high. It may turn out that wholesalers will find their greatest strength in their business.



The choice Cut

This Section represents the area within a 500-mile radius of Louisville. Each state is drawn to size consistent with population (U. S. Census.) Hence distortion of circle.

Within This Area are 50,000,000 people—almost half the population east of the Rockies. This great market can be reached from Louisville, *by rail and water*, more quickly and economically than from any other city.

(Population map used through courtesy of Karsten Statistical Laboratory, New Haven, Conn.)

Competition, with its increasing response to hand-to-mouth buying, is forcing the manufacturer into active defense.

To satisfy the insistent consumer demand for quicker shipments and reduced inventories, establishment of branch plants is the logical first step.

Get the FACTS About Louisville

To the manufacturer whose balance sheet reflects the inroads of competition, Louisville offers a unique combination of economies in *both manufacture and distribution*—economies proven by savings of from 12 to 20 per cent.

In the heart of a region proverbially rich in raw materials, Louisville combines economical accessibility to the choice cut of American markets with the low-cost-production facilities of the South. . . Eight trunk-line railroads augmented by the inland waterways system just modernized at a cost of $125,000,000. . . Intelligent, dependable, American-born labor.

To the interested executive, **the Louisville Industrial Foundation—a non-profit organization—will furnish detailed data on: Shipping costs, prevailing wage scales, power rates, real estate values, tax exemptions, etc. Strict confidence. No obligation.**

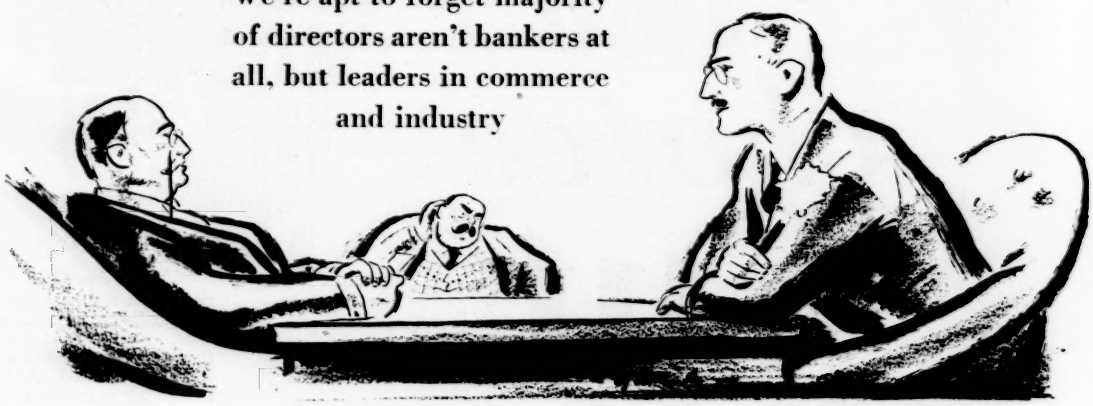
LOUISVILLE INDUSTRIAL FOUNDATION
Incorporated
438 Columbia Building, Louisville, Ky.

LOUISVILLE

CENTER OF AMERICAN MARKETS

Business Runs Federal Reserve

We're apt to forget majority of directors aren't bankers at all, but leaders in commerce and industry



THE burden of the business man's complaint is that the Federal Reserve system is run by and for the banking interests, that its officials have no understanding of, or sympathy with, business and industry. The truth is that business men and industrialists far outnumber bankers as officials of the Federal Reserve system. Moreover, Federal Reserve policies in a majority of cases originate in the twelve regional banks, not in Washington.

This does not mean that the Federal Reserve Board in Washington has no responsibility. It has. It says "yes" or "no" to any proposal, and its verdict is final. But it seldom originates a policy. The actual guiding force, and as a rule the aggressiveness, of the system is in the 108 directors of the regional banks. When a change is made in the rediscount rate the local board is nearly always responsible. Only once in recent years has Washington forced a change in the rate. That was three years ago, when a lower rate was ordered in Chicago.

Look over the directors of some of the regional banks. For New York, for example, Owen D. Young is probably the best known member. In "Who's Who in America" he is listed as a lawyer. The world acclaims him as the author of the Young plan for reparations payments. But primarily he is a business man and an industrialist—he is head of the General Electric Company and of the Radio Corporation, and a director of many corporations, among them General Motors and National Broadcasting.

Samuel W. Reyburn, president of Lord & Taylor and a director of James McCreery Company, is one of the foremost merchants of the country. He is also a director of the Home Life Insurance Company, the Interborough Rapid Transit Company, other corporations.

W. H. Woodin is president of American Car and Foundry Company and of the American Locomotive Company; a director of General Motors.

Clarence Woolley is president of American Radiator.

T. F. Whitemarsh is a merchant, president of Francis Leggett Company.

Five of the nine members of the New York Reserve Bank, therefore, are obviously familiar with business and industry. The other four are bankers.

Chicago's board of directors includes James Simpson, president of Marshall Field; S. T. Crapo, Detroit corporation official; A. H. Vogel, Milwaukee leather manufacturer; Robert Mueller, Decatur, Ill., manufacturer; Frank Ball, an Indiana glass maker. Again a majority of the directors are not bankers. So it goes.

The law provides the arrangement by which business is prominently represented. The statute puts a definite limitation on the banking element. Custom has carried the practice a step further so that, in almost every case, the laymen outnumber the bankers.

Washington, as pointed out, has the final "say" on Reserve actions. The Board there is a curious group. Its members are virtually unknown to the public —with one notable exception. He is Andrew W. Mellon, Secretary of the Treasury, ex-officio chairman of the Board. John W. Pole, Comptroller of the Currency, is also an ex-officio member. Mr. Pole has spent most of his career as a national bank examiner.

The other six are appointed by the President for terms of ten years each. The practice is to reappoint members in most cases. Dr. Adolph Miller has been on the Board since the system was formed. He is an economist. Before going to Washington he was a professor. Charles S. Hamlin also is a charter member of the Board, and served for a time as its governor. He had some banking experience, varied with a taste of politics.

Edmund Platt, vice governor of the Board, was a politician and publisher before becoming a member of the Board. Edward Cunningham is the farmer member. He was named a few years ago when agricultural representation was demanded. George James is a merchant-banker from the South.

The one out-and-out banker is Roy A. Young, the governor. He was engaged in commercial banking in the Northwest, became associated with the Minneapolis Reserve bank, and served as its governor.

THE Federal Reserve system must serve the interests of commerce, industry, and agriculture—business as a whole. Banking is but a service extended to business.

The Reserve system is an organization of banking facilities and resources for the needs of business. With personal and private finance the system is not essentially concerned. Speculation and stock market activities are not subjects for action, until they interfere with business. The governing officials of the system thus should be business men primarily.

GETS THINGS DONE

10 TO 50 TIMES FASTER AND AT LESS COST

$75

Model H-3—Prints names, addresses or other data thru a ribbon—1,200 to 1,800 impressions an hour—other hand-operated machines from $20 to $105. All prices f. o. b. Chicago.

NO business today can afford hand methods when a *machine* will do the work quicker, without mistakes and at less cost.

In thousands of concerns, many of them in *your* line of business, Addressographs have replaced hand methods and are doing the work 10 to 50 times faster! Even the smallest Addressographs speed the day's business, get things done on time, eliminate errors, increase sales, reduce expense, add to profits. Names and data are written on a countless variety of forms — statements, ledger sheets, shop and store forms, stock records, shipping tags, pay and dividend checks, collection forms, sales letters, circulars, envelopes, post cards, etc., etc., etc.

Model F-2 — Electric — $375 — Prints thru a ribbon—speed 2,000 to 3,000 an hour. Adaptable to all kinds and sizes of forms and data-writing work. Other electrically operated machines from $295 up. All prices f. o. b. Chicago.

Dupligraph — Model D-3 $2,025, or leased at monthly rate. Prints 2,000 letters per hour, COMPLETE with name, address, salutation, date, entire letter and signature. Other duplicating machines from $57.50 to $1,595 f. o. b. Chicago.

Model A-4 — High speed automatic — $2,025. Prints names, addresses and other data thru a ribbon on forms of various kinds and sizes. Speed 7,500 an hour. Other "Automatics" from $595 to $12,750. All prices f. o. b. Chicago.

There are small machines for small businesses—electrically operated and automatic models for larger businesses. The range of prices meets any requirement. Let us show you what an Addressograph will do in *your* business. Mail the coupon for helpful advice and information.

Cardograph—$57.50 f. o. b. Chicago. Prints 1,500 messages thru a ribbon on post cards in an hour!

Sales and service agencies in the principal cities of the world

ADDRESSOGRAPH CO., 912 W. Van Buren St., Chicago
Canadian Head Office and Factory: Addressograph Co., Ltd., 30 Front Street W., Toronto, 2, Ont.
European Head Office and Factory: London, England.
Manufacturers of Graphotype Addressograph Dupligraph Cardograph Speedaumat

Addressograph

PRINTS FROM TYPE

Mail with your letterhead to

ADDRESSOGRAPH CO., 912 West Van Buren Street, Chicago, Illinois. Please explain how the Addressograph best suited to our needs will help us save time, eliminate mistakes and reduce expense. 11-29

Copyright 1929, Addressograph Co.

CREATIVE EDITING

THE Business Week has broken with tradition. By using the blue pencil on ideas rather than words, it has built up an editorial machinery by which business news is observed, recorded, interpreted and presented in a way—and on a scale—never before attempted.

In The Business Week, editing begins with observation. By this new editorial method, competent men—recognized in their fields—watch for developments in finance and banking, in marketing and distribution, industrial production, transportation and utilities. They gather the facts, interpret them to reveal their fullest meaning. The staff economist—an international authority—adds his quota of comment. Important, also, is the contribution of the McGraw-Hill organization with its many sources of information in industry.

But facts, as such, are dull and lifeless things, and all too often go unread. So, in The Business Week, facts are turned over to a writer for presentation. He gives them polish and spirit. He condenses them, not to fit or fill a space, but to better convey an idea. The finished item is then reviewed to be sure that no measure of its meaning has been lost in making it readable.

THE BUSINESS WEEK
475 TENTH AVENUE, NEW YORK

Send me your magazine regularly every week for 1 year at $5.00 (Foreign Postage $1.00 a year extra.) If my remittance is not enclosed, I will pay when billed.

*Name*_____

*Address*_____

*Title*_____ *Firm*_____

Signs That Go Up Must Come Down

TOURIST trade is worth $250,000,000 a year to California; it is the state's second largest industry. Tourists like scenery; they don't like highway advertising that hides or defaces it. Tourists buy gasoline; the Standard Oil Company of California sells it. And that's why Standard Oil is taking the lead in the movement to abolish signs on Pacific Coast highways.

Sign removal is a problem in many states, and business men are solving it while legislators fail. Massachusetts is the only state having an adequate law for the control of billboards, and just now it is all tangled up in litigation growing out of the statute. South Dakota has a partially effective law; Idaho has been buying up land just to remove signs from it; Minnesota, New Hampshire, and Florida are using publicity to fight the bill poster. In California the legislature has been studying the problem. Meanwhile the advertisers themselves have been taking action.

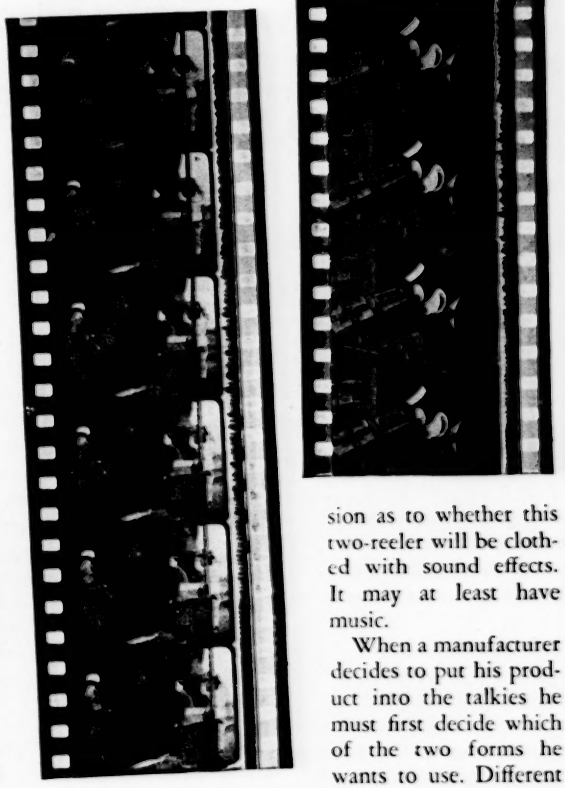
Several years ago Standard Oil voluntarily removed all its signs along Pacific Coast highways, 1200 of them, which had cost $100,000. Now Standard Oil is giving $3500 in prizes in a contest that closed October 20. Prizes are being given (1) for essays outlining reasons for sign removal, (2) for definite plans of action, (3) for campaign slogans, and (4) for appropriate photographs.

While Standard Oil is the leader, other companies have co-operated. Most advertisers are willing to remove signs when approached, provided they know a competitor won't use the space they have vacated. They have been given this assurance by the creation of "scenic reserves": districts in which the property-owners voluntarily agree that no signs shall be erected on their land. Decrepit shacks for selling refreshments are also taboo.

Even the big outdoor advertising agencies are behind the movement; one of them not only has removed its own signs from certain scenic highways, but pays rent on large tracts of land to keep other signs off.

Perhaps this is the method of attack that other states are seeking. It looks like a chance for highway advertisers to lead a crusade, spend some money, and buy themselves a large amount of public appreciation and good will.

Selling—with Sound Effects



WHAT won't these advertisers do next?

Television sets aren't yet installed in the home, but manufacturers are already set to use them to show and sing the praises of their wares.

Charlot, the cat, already has been broadcast. Charlot is the hero of a cartoon movie. It is a one-reel picture devoted to a rent in the seat of Charlot's pants. Thread of the Spool Cotton Company repairs the catastrophe and Charlot thereby escapes the Bastille. This advertising film was recently broadcast by the Jenkins Television Corporation from W2XCR, Jersey City. An experimental novelty, of course, but a precursor of events to come.

Business is going in heavily for talkies. The first were made eight months ago for Studebaker and Graham-Paige. (You could depend on the enterprising motor people to see it first.) The pictures were general sales films exhibited in local theatres. Races and showy sound effects were produced.

Other companies have been quick to seize upon the novelty. Charlot enjoys a second distinction—that of being the first hand-drawn advertising movie to be fitted with musical and sound effects. The film was prepared for the French trade and was labeled "L'Histoire de Charlot." It is all comedy with the sales feature painlessly presented.

A recent sound production is "The Broadway Limited" which (as you might almost guess) is all about the Pennsylvania's crack New York-Chicago train. The locomotives handled their parts with a distinction that should call forth many fan letters.

Camera men risked their necks and machines getting unusual angles on the driving wheels, water troughs, etc. All the luxuries of the coaches are shown with actors and actresses lolling in the seats. (A dog sleeping in the baggage coach makes a special appeal to canine travelers.) There is a musical score prepared by Joseph Littan, of Roxy's Theatre. Disillusion! All sound in this picture is synthetic. It was manufactured in the studio by artificial means and printed on the film to synchronize with the action. (This was necessary because in the yards it was impossible to get only the sounds desired without letting in the shrieks and rumblings of other trains.)

Another type of sound picture has been made for the Fisk Rubber Company. This is a dealer picture, put out to teach salesmen the best method of selling Fisk tires. Fifty prints were made. They are being used at meetings of jobbers and agents. The pictures show how the tires are made while a voice synchronized with the action, explains each operation. Sales sequences dramatize the customer problem, showing in dialogue how the sales manager would and would not handle a transaction.

The star of another talkie is Radiotron. The picture shows and describes how materials for the making of R. C. A. radio tubes are gathered from obscure corners of the earth, and follows the manufacturing steps. It teaches dealers how to dress their stores and how to increase sales.

General Motors is now dramatizing its foreign activities. (The scenario is by James D. Mooney, vice president of G. M. and president of the Export Division.) There has been no definite decision as to whether this two-reeler will be clothed with sound effects. It may at least have music.

When a manufacturer decides to put his product into the talkies he must first decide which of the two forms he wants to use. Different treatments must be employed in preparing a picture for use within the organization and for use as general advertising in movie theatres. Scenarios are prepared as if for De Mille or Murnau.

Among the companies specializing in talkie commercial films are: Pathé, Industrial Department, New York; Consolidated Films, New York; Visugraphic Pictures, Inc., New York; Caravel Pictures, New York; Rothacker Films, Chicago. Two reelers with sound cost as high as $10,000. Prints run around $150 each thereafter.

The portable projector has long been used for silent movies. A salesman walked into an office, set his machine on a desk and showed his cinema on the prospect's wall. A handicap of the first sound picture was the weight of projection apparatus, which required a permanent set-up. This has been overcome. Portable equipment weighing but 60 pounds has been devised for sound movies. (Former "portable" machinery weighed from 300 to 900 pounds.) The new equipment is carried in two boxes that look like suit cases. One contains the projection machine, the other the screen and sound apparatus. They can be plugged in on any electric line. As yet these models have not been placed on the market. It is expected that they will sell for from $350 to $450 complete.

ON YOUR WAY TO FLORIDA . . .

RESOLVE TO SEE THIS RICH REGION

UNTIL you know these "key" cities, you cannot *possibly* have any idea of the remarkable development that has made Piedmont Carolinas such a vital competing element in many industries.

1 See Greensboro, one of the most progressive cities in the country, remarkable for its thriving commercial, industrial, banking, insurance and mercantile interests.

2 Take a side trip to Winston-Salem, where the quiet dignity of an old Colonial settlement joins hands with wide-spread textile and tobacco manufacture.

3 Stop off in High Point, the center of the important Piedmont Carolinas' furniture industry, rapidly becoming a rich textile center.

4 Visit Salisbury, a town where active agriculture and developing industry are both sources of increasing wealth.

5 Spend time in Charlotte, an important distributing center for the Carolinas and a pivot point of wide-spread activity in many lines of manufacture.

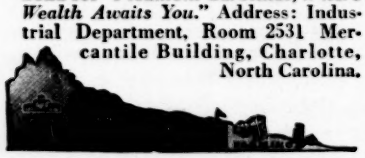
6 Do not miss Spartanburg, where textile progress is speedily being supplemented by many other diversified interests.

7 Include Greenville, a center of a wealthy agricultural region where in addition to other manufacture the textile industry has reached a high degree of development.

8 And be sure to visit Anderson with its spinning, weaving, knitting, dyeing and finishing, and other manufacturing activities.

Equal opportunities offer in such thriving, developing cities as Reidsville, Burlington, Thomasville, Hickory, Chester and many others—smaller, but alive with possibilities.

Send for *"Piedmont Carolinas, Where Wealth Awaits You."* Address: Industrial Department, Room 2531 Mercantile Building, Charlotte, North Carolina.



DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY AND OTHER ALLIED INTERESTS

The Week's BUSINESS

Speeches

A. SHERMAN CHRISTENSON, Division of Commercial Laws, Department of Commerce:

"Domestic life insurance companies will continue to transact their major business locally but there are indications that during the writing of the 'second $100,000,000,000,' an increasingly large number of domestic organizations will establish branches and agencies in foreign countries.

"Many factors—economic, social, political, and legal in nature—will combine in determining foreign markets for American life insurance companies. Of these, laws regarding the regulation of insurance companies by the respective governments are not least important."

▼

It seems probable that stocks have been passing not so much from the strong to the weak, as from the smart to the dumb.—Col. Leonard P. Ayres.

▼

VIGGO CAVLING, editor *Politiken*, Danish newspaper:

"American talkies will soon make English the universal language on the Continent. Now that the American talkies are available in so many Danish towns where English is already taught in the schools, the whole populace is interested in 'brushing up' on English pronunciation."

▼

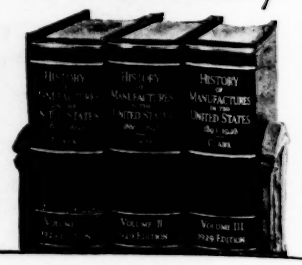
Those citizens and manufacturers in particular who do not keep intelligently informed from day to day of what is happening at the chief centers of activity will not be long in meeting the ghosts of their negligence in their night of failure.—John E. Edgerton, president, National Association of Manufacturers.

▼

ARTHUR M. HYDE, Secretary of Agriculture:

"The 6,000,000 farmers in the United States are the most efficient farmers on earth. In numbers they are one-twentieth of the world's farmers, but they produce two-thirds of the world's corn, three-fifths of the world's cotton, one-half of its tobacco, one-third of its hogs, one-third of the poultry, one-fourth of the

An "outline of history" of industry



Every industrial executive will find this an informative and helpful work—giving a clear, sweeping picture of the development, organization and economic interactions of manufacturing industry in America, from Colonial times down to the present.

History of Manufactures in the United States

by VICTOR S. CLARK

3 volumes

1706 pages, 7 x 10, illustrated

AVOIDING technology and involved details wherever possible these three books give a broad outline covering every important step in the development of our present industrial fabric, in a direct, readable manner that will interest every business man.

A single volume, covering only the period up to 1860 was published in 1916 and soon was out of print. To meet a large demand for this work, the Carnegie Institution of Washington has sponsored this issue in three volumes bringing the history up to date.

Representing the results of twenty-five years of research this work is unquestionably authoritative and accurate. Its interest and value to every business and industrial leader is two-fold. First, for its purely informative matter—second, for the chart-like way in which it pictures the trend of industrial development. It is an outstanding contribution to business literature—significantly indicating the forces that have shaped the evolution of American manufactures.

Send for these books on approval. Ten day's free examination gives you ample time to determine their importance and value to you, without cost or obligation. Return them or pay for them in accordance with our offer.

FREE EXAMINATION COUPON

McGraw-Hill Book Co.
370 Seventh Avenue
New York, N. Y.

Send me Clark's History of Manufactures in the United States, 3 volumes, for ten days' free examination. I agree to return the books within ten days or to remit $15.00

Name.....

Address.....

City and State.....

Position.....

Firm..... B.W. 10-26-29

oats, one-fifth its wheat, one-seventh of its cattle and one-tenth of its sheep.

"If agriculture were well organized, it could standardize its products, control and distribute their flow to the consumer, eliminate much of the waste duplication and inefficiency of the marketing system."

▼

I have seen too much and know too much. If I wrote my memoirs not a man would go to war even if the security of his country demanded it.—Georges Clemenceau.

▼

MRS. EUGENE MEYER, JR., to National Recreation Congress:

"If the workingman is going to use his leisure merely to increase his material desires, he might better not have it. He must want not things, but ideas. He must not only improve the kind of automobile he has, but the kind of tastes and interests which occupy his mind. He must learn that leisure is not merely a pleasure but a responsibility, for it is frequently just as enervating and destructive as it can be ennobling."

▼

If there were any way of fixing a wage standard on a basis of a "living wage," we ought to be able also to fix a standard of business profits on a basis of "living dividends."—Howell Cheney.

▼

A NEW K. K. K. for retailers from a representative of the Domestic Commerce Division of the United States Department of Commerce, as told to members of the new Harlem (New York) co-operative of the Colored Merchants Association: "Know what is in your store (take inventories periodically); Know what is selling (keep detailed records of sales by items); Keep nothing that does not sell (get rid of shelf-warmers)."

▼

DR. A. LAWRENCE LOWELL, president, Harvard University:

"If the desire of undergraduates for a sound education cannot be increased over what it has been, the American college, in spite of its present vogue, will not endure.

"The blight of American education is working for near-objectives and scoring them off when attained. The aim or goal should be as remote as possible consistent with its being not so far off that thought of it can be postponed for the present."

Eliminating "Loss through preventable fatigue"

Enable your workers to keep that "morning Freshness all day"

FATIGUE, and especially preventable fatigue, takes its toll in nearly every industry. Eliminating this preventable fatigue does pay. Office managers and other executives are considering this question with profit.

Eff & C Chairs are "chairs" in the ordinary sense, but because they so truly fit in with modern office "production" needs they are true "instruments of production".

Correct poise for the seated worker goes far toward helping maintain his fresh alertness. Eff & C Chairs give this poise. Because Eff & C seating is scientifically correct the worker is mentally free to do his best work continuously.

Dexterity, speed, and sureness of touch, so important in all office machine operations and for factory workers, are furthered by Eff & C seating. While an engineered product, Eff & C Chairs do not cost more than others. They are well built, durable, and adjustable without tools.

Your local office furniture dealer maintains Eff & C chair service. Mail the coupon for literature, or better still let us send you one of the chairs.

Eff & C Chairs

THE FRITZ-CROSS COMPANY

St. Paul
Minnesota

The Fritz-Cross Company
St. Paul, Minnesota
Please send us your booklet, "What underlies efficiency".
Name .....
Firm .....
Address .....

Wide Reading

What Periodicals and Books Are Printing on Business Topics

IS MAN A MACHINE? John B. Watson and Will Durant. *Forum*, November. A psychologist and a philosopher look at the machine's influence on man.

THE CASE FOR CAPITALISM. Edwin R. A. Seligman. *World Tomorrow*, October. An appraisal after 100 years' trial; "the most signal advance yet made in economic life."

THE HUDSON COAL COMPANY. *Coal Age*, October. Ninth annual model-mining issue devoted to operation story of the second oldest producing unit in the anthracite region.

PUTTING IT UP TO THE COLLEGE. E. Lyman. *Atlantic*, November. An industrialist's bid of $40,000 for a superior product from the colleges goes begging.

AVIATION—PROGRESS IN SAFETY. Harry F. Guggenheim. *Harvard Business Review*, Autumn. What's expected of the airplane as a result of present safety developments. By the sponsor of this month's world-wide airplane safety contest.

ECONOMIC CHANGES IN SOUTH AMERICA. Ray Morris. *Yale Review*, Autumn. A quick survey by a Yankee banker of economic trends in Latin American countries where United States has its largest stakes.

THE WORKSHOP OF THE CAROLINAS. Richard Woods Edmonds. *Review of Reviews*, October. Industry, natural resources, labor—in a troubled region.

IS THE AUTOCRACY OF FASHION BECOMING A DEMOCRACY? H. James Gediman. *Printers' Ink*, October 17. Admit that Paris is no longer absolute style dictator; get in step with women's new style individuality.

OLD AGE SECURITY—A NATIONAL ISSUE. Abraham Epstein. *World Tomorrow*, October. Ten states—four this year—have acted on old age pensions. The status of the issue as it gains national prominence.

POOR-WHITE CAPITALISTS. Don Wharton. *Outlook and Independent*, October 16. The mill-workers of the Gastonia district have no faith in change. Their present status, bad as it is, is the best they have known. The poor-white is the ally of the capitalist.

UNDETERMINED ISSUES IN RAILROAD VALUATION UNDER THE O'FALLON DECISION. W. L. Ranson. *Political Science Quarterly*, September. The so-called "victory" for the railroads need not be celebrated yet. Valuation is still as thorny a problem as ever.

EUROPEAN REACTIONS TO AMERICAN TARIFF PROPOSALS. André Siegfeld. *Foreign Affairs*, October. The witty, penetrating author of "America Comes of Age" focuses his gaze on the new economic union of Europe—with or without Russia.

WASHINGTON'S MOST UNPOPULAR MAN. George Oliver Gillingham. *Plain Talk*, October. It was a sad day for the "swindle-sheet" when John Raymond McCarl was made comptroller-general of the Treasury. His is a cashier's idea of heaven.

IS COMMUNISM SPREADING? Emile Vandervelde. *Foreign Affairs*, October. No—except in Russia and China. But its activities are scattered.

A BALANCE SHEET OF THE PHILIPPINES. Rufus S. Tucker. *Harvard Business Review*, Autumn. Reaches the conclusion that costs of maintaining possession far outweigh either present or prospective economic benefits.

THE WORLD'S GOT TO HAVE ME! Whiting Williams. *North American Review*, October. Share the emotions as well as the motions of the common task if you would create mutual respect of the workman.

BOOKS

THE SOVIET PLAN LOOKS AHEAD: THE FIVE-YEAR PLAN FOR ECONOMIC RECONSTRUCTION. Horace Liveright, 275 pp., $2.50. First complete program of industrial and economic development designed to meet the needs of a nation. Terse, clear, interesting. Details of program including List of Technical Assistance Agreements, a discussion of skilled labor, of the productivity of national labor, of the equilibrium of supply and demand, consumption and price policy.

THE INTERNATIONAL FINANCIAL POSITION OF THE UNITED STATES. National Industrial Conference Board, 271 pp., $5. Comprehensive study from opening of American history to present; emphasizes tremendous changes during and after World War. Excellent statistical material.

BUSINESS REPORTS. A. G. Saunders and C. R. Anderson. McGraw-Hill, 409 pp., $3.50. Exposition of steps in business investigation and of presenting data in reports. Helpful suggestions for person's doing business research.

PLANNED MARKETING. Vergil D. Reed. Ronald Press, 346 pp., $5. Practical guide in planning the marketing of manufactured goods. Synthesis; for marketing executives.

THE COOPERATIVE PATTERN IN COTTON. Robert Hargrove Montgomery. Macmillan, 335 pp., $2.50. Exposes laissez faire system in agriculture in general; specific discussion confined to cotton growing industry in South. Presents case for cooperation.

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Argentina May Nationalize Oil

MYSTERY item on the agenda to be considered at the extraordinary session of the Argentine legislature, convened this week, is "nationalization of the petroleum industry." Almost anything may happen. President Irigoyen holds the key. If industry could fathom his true feelings on the matter, the future would be clear, if not bright. But the world remains in the dark; business, puzzled.

As long ago as 1886, Argentina drew up a mining code, inadequate, but the basis for all rulings on oil and mineral disputes. Based on the old Roman law, the code decreed mineral wealth to belong to the state, not to the owner of surface soil.

Until the time of the World War there was little interest in oil in the Argentine. But expanding demands after 1918 brought to that country, among others, Standard Oil of New Jersey, Royal Dutch, Anglo-Persian. The Argentine government was cordial, encouraged their exploration, growth. Concessions were granted willingly under the old mining code.

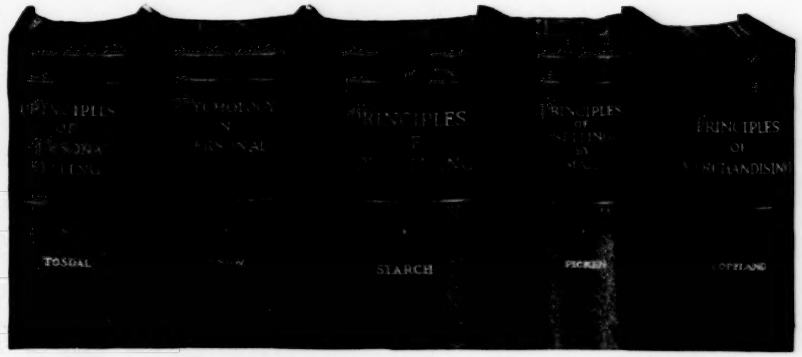
In 1924 came the first curb to a flourishing industry. Under protection of the strict interpretation of the law, the government claimed the right to all lands not actively in production. Rumblings since have made private oil interests wary.

Two pending bills, which have passed the Chamber of Deputies, strike indirectly at the oil industry. One would transfer from private to public control units of transportation—could act as a bottleneck to private oil production if passed and if it were the wish of the government. The second bill aims to center under one government bureau the exploitation of mineral resources.

Irigoyen, the mystery man, is said by some to favor complete state monopoly; by others to put the development of natural resources above his interest in government monopoly.

Argentina's production of oil last year totaled 9,000,000 barrels. Slightly more than 50% was produced by foreign private interests.

Far-reaching may be the effects of the decision. Not only oil, and American money, are concerned. Foreign capital, largely British, controls a large share of Argentina's railroads, telephones, power plants. A new nationalization law, no matter how limited, may point a new trend in Argentina, in South America.



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—What mailing dates are most preferable?
—Do your letters agree with the "six basic rules"?
—To what motives does your letter appeal?
—Is your choice of words effective enough?
—Is your letterhead right?
—Would a premium offer be advisable?
—What is the mail sales "formula"?
—What are the rules for reaching the retail trade?
—What is most important to farmers?
—How would you appeal to jobbers and dealers?
—What makes a sales follow-up successful?
—What is the first step in laying out a merchandising plan?
—What are the significant classes of consumers' goods sold for retail distribution?
—What vital factors distinguish the organization of the stores of the J. C. Penney Company?
—To what extent are manufacturers' advertising and manufacturers' brands of consequence in the trade in shopping goods?
—Is it sound practice to grant an exclusive agency to each wholesale firm handling your line of specialty goods?
—What is the significant difference between primary and selective motives?
—What qualifications are of major consequence in hiring salesmen?
—What is the quota plan of paying salesmen?
—What procedure should one follow to estimate sales?
—What methods must one use to maintain a rapid rate of stock turn?
—To what extent are different classes of goods responsive to changes in prices?

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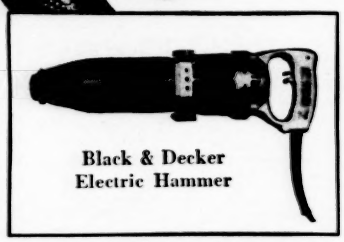

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The 16 gauge perforated steel barrel shown above, is an example of G. P. & F. engineering ability. This black shell is a formed, welded, perforated steel fabrication, made for the Black & Decker Mfg. Co., of Towson, Maryland as the barrel for their Electric Hammer. The advantage of using a barrel of this kind, is that one barrel is exactly like the other, is light in weight, takes a very high finish and makes the completed tool a very good looking job.

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Uncle Sam, World-Builder

EXPORT business in American construction brains is booming. Prophets of "manifest destiny" who saw the United States building and equipping a new world after the war find justification among these recent achievements:

A customs house, $2,000,000 pier and electric lighting system for Maracaibo Basin, Venezuela, constructed of American material;

Marathon Dam in Greece, only mosaic marble-faced dam in the world, built by American company;

Cigarette factory in Semarang, Java, run by American methods and machinery;

Machinery and ammonia for new ice plant in Ciudad Juárez, Mexico, supplied from the United States;

Mitsui Bank, Tokyo, Japan, $8,000,000, designed by American architect, built by American contractor with American equipment;

American electric brakes and other appliances specified for funicular railroad, Genoa, Italy;

First excavator ever used in Helsingfors, Finland, made in U. S. A.;

American patent scaffolding erected on apartment houses in Rio de Janeiro, Brazil;

$670,000 worth of American steel rails delivered at Valparaiso, Chile;

Uruguay supplied with American trench-digging machinery;

Monterey, Mexico, installing steel sash from the United States;

American interests and materials employed in building Persian railroad;

Two American drag lines, largest ever used in Europe, provided for Alsace's Grand Canal;

American well driller successful in striking water at Aden, Arabia, previously dependent on distilled sea water.

London-Brussels Air Mail Cheap

TWO-CENT air mail in the United States is still an enthusiast's dream while Washington faces the hard facts of a postal deficit. London and Brussels get air mail at regular postage rates every morning.

Letters marked "Sabena" mailed at Brussels before 10 p. m., at London before 11 p. m., wing their nightly way between the two cities over the Sabena air line at no extra charge.

The City of Van Sweringen

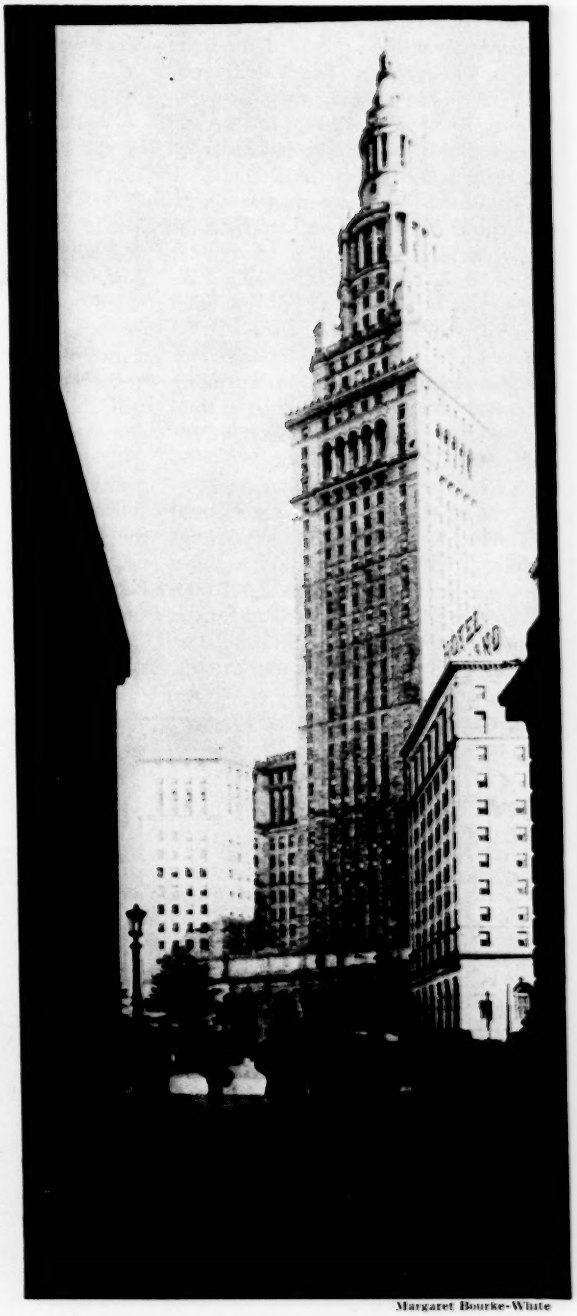
It's in Cleveland, and its scope is faintly suggested by the $400,000,000 involved

PASSENGER trains running through Cleveland will be cut over into the new union terminal in the next two or three months, but the opening of the station is only one item in the spreading group of Van Sweringen enterprises in Cleveland. Their aggregate has been estimated to exceed the cost of the Panama Canal, which was $375,201,000.

While the "Vans" have been assembling railroad systems on the national scene their rebuilding of the home town has largely escaped notice outside. The core of their Cleveland projects is the terminal, which is more than half the size of New York's Grand Central, but it is core only. Around and above is a business district capable of development with the intensity of the terminal district in New York; proximate to it are their warehouse and produce market quadrangles, big enough to serve the northern Ohio region; away from it stream mile-a-minute transit lines designed to penetrate most of the suburbs. The largest of the suburbs (in area) is the Van Sweringen's own Shaker Heights, with room for all the houses and country places Cleveland is likely to need in the $15,000 class and upward for the next fifteen or twenty years.

DETAILS in this vastness are their high level freight terminals, their outlying retail shopping centers, their 50-story tower, their 17- and 18-story commercial buildings, their hotel, and their recently acquired street railway system. All these things are structurally organized as one mechanism by steam and electric railroads, automobile avenues, elevators, pedestrian subways and overhead bridges, concourses and galleries, truck ways spiraled to loading docks, traffic separations of all types. By these means the terminal will shortly be handling more persons daily than the Grand Central, at least so Cleveland believes.

The Van Sweringen brothers are building out from the city in one direction a forked traffic route 600 feet wide and they project downtown at least one high speed automobile road. Their central business district makes provision for two main bank buildings, an 1,800-room hotel (to house the world's largest ballroom), a department store, several commercial buildings, a general post office and possibly a theatre. A "merchandising mart," Chicago style, has also been mentioned. They are already landlords of the Chamber of Commerce, the Builders Exchange, the Coal & Ore Exchange, and a number of railroad offices. They are interested in radio station WTAM and they hold stock in several manufacturing companies. Intimate associates of the Van Sweringens control the Midland Bank, which is erecting its own building in the station group.



Margaret Bourke-White

Terminal Tower, Cleveland

Graham, Anderson, Probst & White of Chicago are architects of the station and the superstructures. Charles L. Bradley, of the old lake shipping and real estate family, is in charge of the development for Oris P. and Mantis J. Van Sweringen. H. D. Jouett, who came from the Grand Central, is the engineer.

THE terminal is owned by the New York Central, the Big Four and the Nickel Plate roads. The Van Sweringens, in building it for them, received the air rights above the street level. The three systems will operate the terminal and divide the cost between themselves and such of the other lines as elect to come in, of which the Wheeling & Lake Erie, the Erie, and the Baltimore & Ohio are expected. Track space is also reserved

for the local rapid transit, and perhaps subsequently will be provided for street cars, in subway dips. The Van Sweringens have been running their own 16-mile rapid transit service for several years and this is to be greatly enlarged and turned into the terminal.

The Pennsylvania, which shares with the Central the old Union Depot on the lake front (built 1853), is not coming into the new. It has its own Euclid Avenue station and soon may build another terminal somewhere downtown.

The Cleveland union terminal alone has cost around $80,000,000, including the closed-in approaches. The rapid transit system operating independently of the steam roads is to cost about $40,000,000. The Nickel Plate is spending $15,000,000 on track work and the Central another considerable sum. Buildings completed or under construction above the street level come to $25,000,000. The accepted figure in Cleveland for the terminal total is $180,000,000, but this does not take in the warehouse, market, industrial or real estate departments of Van Sweringen activity.

THE terminal is reached by a back route through the city first employed by the Nickel Plate and the Big Four. The terminal itself is a triangle of about 23 acres adjacent to the Public Square. The lowest level carries 30 tracks electrified by overhead trolley wire or third rails, depending on the service, and divided between steam railroad service, local rapid transit, and coach storage. All trains will move through the station under electric power. The steam trains will change engines at outlying points and in some cases the steam locomotives will run through the city on passing tracks and pick up their trains. To avoid shifting to the electric motors most of the Twentieth Centuries will continue using the lake front tracks through the city—but only one of them stops in Cleveland anyway.

The second level of the terminal development is the concourse floor and the concession area, both railroad property. Fred Harvey of Santa Fe has leased the entire concession space and will install about 20 kinds of retail business, including extensive restaurants.

The third level carries the streets, which are slightly elevated above the rest of the downtown section for most of their length. This gives opportunity for ingenious traffic separations in the pedestrian approaches. Retail frontage on the street level is about two miles long.

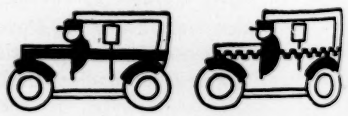
A fourth level is that of the upper arcades and pedestrian bridges. Ten of these bridges have been proposed, and they, with the interior passages, will link all the buildings in the area. One may walk from any building in the neighborhood to any other without going outdoors, either by using the bridges or the concession area.

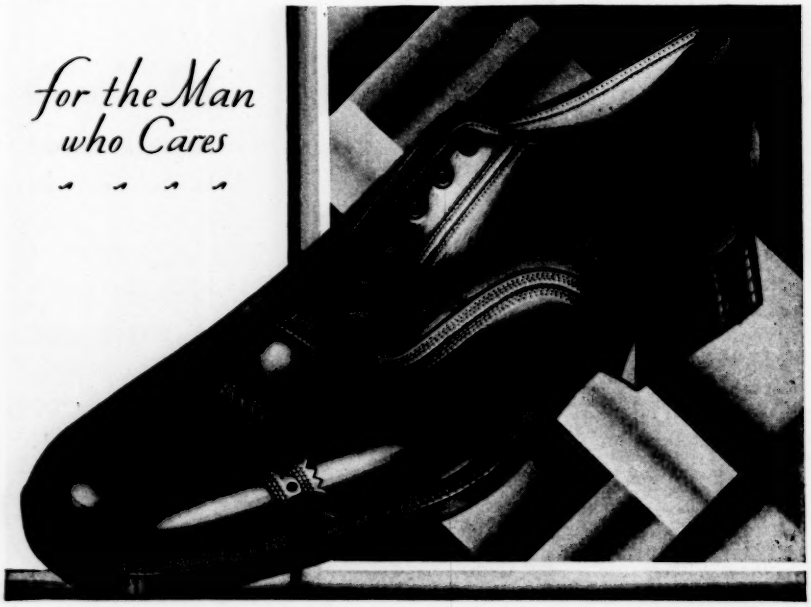
ON still higher levels many of the buildings communicate with one another, particularly the garage building with others in its group. Men will be on the same floors with their cars, or they may drop to the rapid transit in the basement. There are several communications between the hotel and the tower building, and there will be no obstacles placed in the way of hotel guests when they seek to shop in the department store. The entire organism is under single ownership and it has been engineered as a whole. One part communicates with every other part without strict regard to division of trade or expense.

When the development is finished one may work, eat, sleep, play golf, go to theatres, ride taxicabs, watch the stock market, see his doctor, all without leaving the Van Sweringen domain.

The terminal group is the first thoroughly planned double or triple decked community in the world. Its avenues glide like aqueducts and all the service mains are conveniently above ground. Every practical idea advanced by traffic engineers in the last decade appears to have its place somewhere. It has been described as "a honeycomb of streets and galleries, arcades and bridges, elevators and subways, the first city in the world built on stilts with transportation and utilities taken care of before it was started." It is the modernist's metropolis.

Cleveland is about to become two cities, the old town and the city of Van Sweringen.





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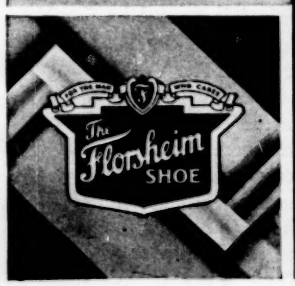

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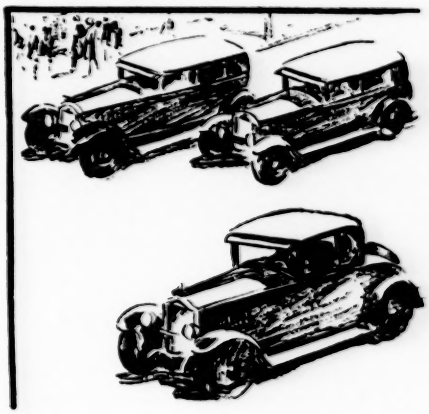
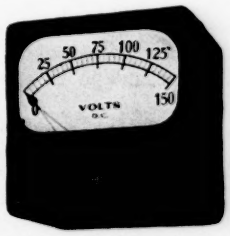


IT SEEMS only yesterday that electrical engineers awoke to the fact that the power plant had begun to dwindle in importance, overshadowed, it seemed, by other problems that appeared to be more vital. But the wheel of fate has turned back inexorably to normal, and today the power plant is resuming its natural place in the thought and plans of modern executives who realize that upon what they do today will depend how they profit tomorrow.

The future depends upon the present. Salesmanship must be backed up by low cost production. Preparedness is as vital to an industry as to an army. If all progress stopped today, your plant still would be modern fifty years from now—but progress never stops.



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TREND *and* TEMPO

By Robert R. Updegraff

AS illustrative of the force and effectiveness of advertising in this day and age, the waiters in one of New York's most exclusive clubs now ask evening diners whether for their demitasse they will have "coffee or Sanka."

▼

JOHN H. MILLAR, who lives in Chicago, was registered at the Nicollet Hotel in Minneapolis and while there received the following letter from a local aviation company:

> Dear Mr. Millar:
>
> How are you going back? Have you stopped to consider the time you can save by using the airways on your return trip?
>
> The Northwest Airways operate two daily services between Minneapolis and Chicago:
>
> Leave 9:00 A.M. arrive Chicago 12:55 P.M.
> Leave 2:45 P.M. arrive Chicago 7:25 P.M.
>
> making plane and rail connections for points east, south and southwest.
>
> Any further information you may desire regarding air travel will be cheerfully given. Just telephone Atlantic 1314.

Aside from the enterprise exhibited by the company sending out this letter, it strikes me as being quite significant that air transportation has reached the direct-mail stage of promotion as applied to particular trips.

▼

BEGINNING in February, 1930, one of the oldest farm magazines will become the newest. The magazine-to-be is *The Country Home,* and it will be published by The Crowell Publishing Company. The notable thing about it is that it will be none other than our old friend, *Farm & Fireside*, established in 1877, and now brought up to date.

The old kerosene-lamp, corncrib atmosphere of even so treasured a name as *Farm & Fireside* is, it seems, no longer in keeping with modern country life, and so a periodical of the last century will next year don a new dress and take unto itself a new name in the new tempo. Which in itself marks a trend.

▼

IF you are a married man you have probably already discovered this: Women will no longer follow styles just because they are styles.

This is perhaps one of the most significant facts of current retailing. This season in particular, I understand, the women have gone on strike. They simply will not wear the dresses that the fashion designers designed for them. As a result the metropolitan stores are buying only a few garments at a time, lest they get stuck with them; meanwhile they are worriedly trying to find out just how much of the new style milady *will* stand for, and they are forcing the manufacturers to modify the styles materially from week to week.

Apparently the American woman has revolted. The day of falling down before the Goddess of Fashion and slavishly worshipping her has passed never to return. Women will always continue to wear what that imaginary group called "They" wear; but from now on they are going to insist on doing more of their own "They-ing."

More than at any time in the memory of man they seem to be looking to their mirrors, rather than to the fashion sheets, to tell them how they look. And added to that, they are determined not to lose too much of their new-found comfort.

▼

AFTER all, we have not made so much progress when only last week (as I write this) there was opened at Baltimore the very first institution in America devoted exclusively to the study and care of diseases of the eye—The Wilmer Ophthalmological Institute.

It would seem as though we should many years ago have taken up the study of the eye by itself, instead of lumping it in with the ear, nose, and throat. . . . But at last we are getting on.

▼

CORRA HARRIS writes, "Happiness is not a gift. It does not depend on temperament, nor on lack of temperament, nor even on wealth or health, but it is a sort of diplomatic relation we maintain toward ourselves and other people."

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2 Save Time
3 Speed Operations

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Globe Multi-PLY Forms are typed on the Elliott-Fisher Automatic Feed Machine with its exclusive flat writing surface. The GLOBE GOVERNOR attachment for Multi-PLY Forms makes possible the use of different widths, weights and colors of paper in the same set of forms—up to fifteen copies to a set—500 to 1000 sets at one loading. The flexibility of this device is an outstanding feature in connection with the use of Multi-PLY Forms.

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EDITORIAL PAGE

THE BUSINESS WEEK—A McGRAW-HILL PUBLICATION

On Minding Your Own Business

AMERICAN business today is paying too much attention of the wrong kind to the stock market. In the past few years speculation in securities has become a national business obsession. Not only has it made business men waste a lot of time and energy they owe and might more profitably devote to their own business responsibilities. What is more serious is that this speculative complex has grossly distorted the views of the business community and a large part of the general public regarding the nature and conditions of economic prosperity and progress in this country.

At this time it is especially deplorable that such exaggerated emphasis should be placed upon what is going on in Wall Street. There is no reason why business or the government should act at any time as though security trading or security values are of paramount importance in our economic life.

The business situation in the United States or any other country is not made or destroyed by conditions in the security market. Prosperity does not depend upon the price of stocks. Progress is not measured by the volume of securities floated or sunk or the amount of money that changes hands in buying and selling them.

Fundamental conditions of business itself—the creation and exchange of useful goods and services, the advancement of industrial science, the efficiency of business management, the wise use of credit, the expanding employment of labor—in the end determine conditions in the security market. These things are the chief concern of everybody. Upon them alone the general welfare depends.

In face of violent vituperation and political pressure, the Federal Reserve System has done the nation a great service by resolutely and steadfastly conserving the credit resources of our banking structure so that the universal and permanent interests of American business as a whole shall be protected.

Security trading is a large, legitimate and necessary business, but it is only a part, and a relatively small part, of the vast aggregate of American economic activity. There are many others much larger, much more important, and quite as exciting—such as mining the world's coal, making its iron and steel, manufacturing its clothing, raising its food, transporting and distributing the goods it needs. These are the basis of business here and everywhere. Without them the stock market is merely a game of tiddledywinks, and security prices are simply statistical sawdust.

If business will mind its own business, the security market will take care of itself.

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